Declassified E.O. 12356 Section 3.3/NND No. 785017

ACC

10000/109/768
(VOL. I)

Declassified E.O. 12356 Section 3.3/NND No. 785017

10000/109/768
(VOL. I)

ECONOMIC POLICY, NORTHERN ITALY
NOV. 1944 - JUNE 1945

Declassified E.O. 12356 Section 3.3/NND No. 785017

FILE CLOSED

3432

Noted from [illegible] ABW 7/6/45

77

CSO

Please see folios 70 thru 74. I believe you will find these most interesting. Matter seems to have been passed down the line but. Shall attempt to keep informed as to action taken.

ABW 7/6/45

Thank you. GC 7/6.

78.

Gen Cruz

Mem. see 70 to 74

GC 7/6.

TWL 8/6

79

3431

Brigadier Lumb.

I don't think Fiske is responsible for this. (74) (Intd) EWS.
CC

Declassified E.O. 12356 Section 3.3/NND No. 785017

Thank Lt. Gen 7/6.

78.

Gen Lush

Mem. see 70 to 74

Gen 7/6.

TWL 8/6

(79)

3431

Brigadier Lush.

(74)

I don't think Fiske is responsible for this. (Intd) EWB.
CC

(80)

Chief Commissioner.

Now that instructions can be given to RCs by the AC they will be given. The set up has precluded coordination by these Hqs. I maintain that Rome should be the seat of coordination.

5.June.45 (Intd) ASL

Seen by CC in original 7/6

Declassified E.O. 12356 Section 3.3/NND No. 785017

44

Ex. Com

To see folio 43. 5 May.

MS/6/5

2nd

Ex. Com

To see folio 45 5 May.

MS/6/5

3137

48

Ex Comm.

To see folio 43 & 47

49

What does it all mean. It is your duty to tell me - not to pass papers. MS/6/5.

50

Sec.

Re folio 47 - From Secret. has received no further inf. re boundary line. Actually view is for action by Ag Sec - I only sign alone.

PA

11/5/45

Declassified E.O. 12356 Section 3.3/NND No. 785017

Declassified E.O. 12356 Section 3.3/NND No. 785017

MS/6/5 — 5 May

3:35

Ex Comm.

48

To see folio 43 & 47

49.

What does it all mean. It is your duty to tell me - not to pass papers. MS/6/5

50

Re folio 47 - Econ Sect. has received no further inf. re boundary line. Actually ACC is for action by Ag Mtg - & only wpe action.

PA

Executive Commissioner

52

3:29

Please see folio 51 on economic barriers & visit of Italian Port. to Milan.

DH. 15/5

53

P.A.

Find out from C.C.'s Office who has been advised of the first. We should inform SCAOC Armies and independently & directly R.C.s. MS/16/5.

See 54

MZS removed by CSO

27

Mr Salerno

Have you any knowledge of 26?

E. 17/4

28

Note

Lt Col Thompson (Sen Seat) is arranging, Chapel 15 Apr, 6th Meetings.

No action by Salerno Mission necessary.

E. 18/4

36

CSO:

3428

1) For the Executive Commissioner to see Econ Section's reply (folio 30) to his memo at folio 33 regarding planning for northwest Italy local resources during phase 1 and phase 2. Brig. Anderson states the acceptance of the AFLRS proposal is primarily one for IV Corps.

2) Lt. Col. Imrie is attending Food Supply Conference in Florence tomorrow.

20 April 45.

Major

Declassified E.O. 12356 Section 3.3/NND No. 785017

Lt Col Thompson (Sec Seat) is arranging, Apr 15-16, 60th meeting.
No action by Economic Office necessary.
Ej 18/4

36

CSO:

3128

1) For the Executive Commissioner to see Econ Section's reply (folio 33) to his memo at folio 33 regarding planning for northwest Italy local resources during phase 1 and phase 2. Brig. Anderson states the acceptance of the APLRS proposal is primarily one for IV Corps.

2) Lt. Col. Imrie is attending Food Supply Conference in Florence tomorrow.

20 April 45.

Major

Sj 24/4

3127

CSO

41

I have seen nor heard nothing further on the proposal contained in folio 35 and detailed in folios 29-32. JCB 28/4

Ej 30/5

Declassified E.O. 12356 Section 3.3/NND No. 785017

12

10 and 11 noted. (Signed) E.S. 15/1.

20

C-in-C: See folios 13-19 regarding information on plan regarding Naval operations on entering ports of Genoa & Savona for meeting today important relation passages side-lined in red. JCB 3/26 10/2

21

Cos has seen. Thank you.

H. 11/2.

Declassified E.O. 12356 Section 3.3/NND No. 785017

Declassified E.O. 12356 Section 3.3/NND No. 785017

Telex 93 to 960 transferred to
file 5219/EC
Ref 11.08/ES of 14 June

3/24

Declassified E.O. 12356 Section 3.3/NND No. 785017

Art 451

ASA/el

Ref: 4026/EC

18 June 1945

MEMORANDUM:

TO : Economic Section

1. Reference is made to signal EXII/337.R12 of 13 June with reference to General Order No. 41. Copies of this signal were sent to Civil Affairs Section and your Section for action.

2. It would be appreciated if you would keep this office informed of any action taken in this matter.

AO Annably

Chief Staff Officer,
To Executive Commissioner.

3127

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026 + 535

RESTRICTED

4042, 5213, 5215

Ex. Comm

RCII/337.R12
JUNE 13 1945CB

R/5013
JUNE 14 1945CB
IMMEDIATE

15 JUN 1945

From: HQ VENETIA REGION
To: HQ ALGOM

HEADQUARTERS
15 JUN 1945
A. C.

Urgent. Regional Commissioners conference. All Provincial Commissioners and heads of Divisions was yesterday and Regional Commissioner had conference with 5 prefects this morning. Following represents generally agreed opinion. First it is not possible to maintain general ?therenecurder? order of number four one. Second it should be possible to exercise control at agreed higher levels on bread, minestra, flour, fats, sugar and meat. Third prices of other goods should be left to find own level subject to special orders where necessary. Fourth, there is necessity for immediate and definite scaling up of wages of statal and parastatal employees including communal employees. Fifth, claims for increase in industrial and agricultural wages should be subject to normal methods of negotiation.

Dist

Action - O. A. Section
Econ Section (3)
Info - Chief Commissioner
Exec Comm
File 2
Fleet

3422

see GL

Note.
Delayed owing to necessity for servicing.
(Capt Arnoldy)

Declassified E.O. 12356 Section 3.3/NND No. 785017

NOT RIGHTED

4026

1194
JUN 141030B

R/4979
JUN 141305B
ROUTINE

FROM: LOMBARDIA REGION/POLETTI SIGNED PARRI

TO: ALLIED COMMISSION FOR ITALY

JUN 14 1945

1. We urgently need decisions on movement of goods from north to south, fixing of prices for principal foods and unblocking of industrial materials and manufactured goods.

2. If authorized by you, we are ready to make the decisions up here. Will gladly fly to ROME any day you desire me.

ECON SEC

ACTION: Ex Commissioner
INFO: Chief Commissioner
Room Sec 2
File 2
Float

NOT RIGHTED

3421

(CAPT ARNOLDY)

Declassified E.O. 12356 Section 3.3/NND No. 785017

402647

~~RESTRICTED~~

1 Copy

1195
JUNE 141100B

E/4978
JUNE 141305
ROUTINE

JUN 14 1945

From: LOMBARDIA REGION FOR PRICE CONTROL SIGNED STAUFFER
To: HQ ALCOM GENERAL MCKINELY ACTING VICE PRESIDENT ECONOMIC SECTION

~~RESTRICTED~~

1. Col POLETTI raised the question "In view of anticipated brief stay of AMG in north, is it advisable to undertake the work required in price Memo No 1 ? ". Also in view of time elapsed since issuance of price Memo No 1 andin absence of other indications of the extent to which AMG will apply economic controls, he desires confirmation through office of Brig LUSH that price Memo No 1 is to be considered a valid order.

2. I would point out the following for your consideration of the problem:-

(A) General Order No 41 still stands and should be completely cancelled or adjustments provided for withing the next few days.

(B) Price controls on only few items will yield no significant returns in the control of cost of living or wages, therefore, complete elimination of price controls is preferable to partial elimination.

(C) If price fixing of consumer goods and food is discontinued, it should also be discontinued for industrial goods and agricultural products including those on which the army now requests fixed prices.

(D) It is doubtful if the government will be ready for nationwide action in time to preserve for the entire conty benefits of existing relatively sound price structure in the north. Therefore, our failure to take action in the meantime will have extremely negative effect of preventing Italians in the north from acting as now seems

(CAPT ARNOLDY)

Declassified E.O. 12356 Section 3.3/NND No. 785017

RESTRICTED

desirable until too late for the action to be beneficial.

(E) The psycholigical results of failure for another month to publish official food prices will be drastic.

3. Believe I could visit other 4 Regional Commissioners in 2 days and report opinions to you. Phone or signal instructions.

DIST

ACTION - ECON SEC 2
INFO - CHIEF COMMISSIONER
EX COMMISSIONER 2
FILE 2
FLOAT

RESTRICTED

Declassified E.O. 12356 Section 3.3/NND No. 785017

Ext 451 ABA/el 86

Ref: 4026/86/EC 15 June 1945

SUBJECT: Food Ration

TO : Economic Section 68

1. Reference is made to memorandum 4026/68/EC of 5 June in which a direction on policy was requested in connection with the food ration.

2. It will be appreciated if your office would advise us of the action that has been taken on this request.

A. B. ARNOLDY,

Chief Staff Officer
To Executive Commissioner

EW 3/19/47 Noted

8

Declassified E.O. 12356 Section 3.3/NND No. 785017

(85)

Ref: 4026/85/MC. (24) 13 June 1945.

My dear Mr. Prime Minister:

I have given careful consideration to your memorandum 470 of 4th June in which you recommend the setting up in Milan of a Commission of Coordination and an Advisory Council. When planning for the occupation of Northern Italy I gave consideration to such a proposal. It seemed to me, however, that the establishment of such a commission would focus too much importance on the division of Northern Italy from the rest of the country and that it was most important that the authorities in that part of the country, both Italian and Allied, should realise that the seat of the Government is in Rome and that the National Government is responsible for the administration of the country. Both I and the Allied Regional Commissioners in Northern Italy maintain that opinion after six weeks of occupation.

Practically every matter which needs coordination also needs reference to the Italian Government, a matter which you will appreciate from the various problems which have been referred to yourself and your Ministers and particularly to the Inter-Ministerial Committee for reconstruction.

I am, however, issuing instructions to the Regional Commissioners to ensure coordination in administration in order that we may avoid differences of procedure in the various Regions and I hope to bring to Rome in a short time the Regional Commissioners with Italian representatives in the various fields of administration and economics in order that they may meet your Ministers and officials in your Ministries and the Heads of Sub-Commissions here to clear up any outstanding difficulties.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi,
The President of the Council of Ministers,
Italian Government,
ROME.

3.16

Shown to Col Jones
Sq 14/6

Declassified E.O. 12356 Section 3.3/NND No. 785017

(84)

Ref: 4026/RO.

8 June 1945.

Chief Commissioner.

1. I have discussed Colonel Greene's memorandum on labour conditions in Northern Italy with the Deputy Vice President, Economic Section (Brig.Gen. MacKinley), VP, CA Section and Director, Labour Sub-Commission. Answers are as follows:

(a) Liberation bonuses. This, of course, has been under discussion for some time. It was the intention to send out attachment "A" as a press release. I have directed that it should go out as a direction to Regional Commissioners as well as a press notice to be released after Regional Commissioners have digested.

(b) Unfreezing of employment. This is covered by attachment "B" which is going to all Regional Commissioners with a suitable press release.

(c) Reduction. This is covered by General Order No.46, particularly Article 11. VP, CA Sec states that the question of dismissal of employers and managers is under consideration by the Italian Government who are being pressed for decision.

(d) Authorisation of salary increases. This is unfortunately true. [redacted] Army, through their Labour Officer, authorised the increases. The answer is regional control. I understand that AFHQ has also raised the wages of railway employees to come into line with the rest of the country. See attachment "C".

2. It must be remembered that we have only been in the North for 6 weeks during most of which the Army AMG's were in operation. You can, I think, be satisfied that directions on these and other important issues are being prepared and will be issued.

3715

MEL/JL.

Declassified E.O. 12356 Section 3.3/NND No. 785017

HEADQUARTERS ALLIED COMMISSION
APO 394
Office of the Executive Commissioner

file

83

4026/EC

8th June 1945.

MEMO TO: Brigadier-General MacKinley,
Economic Section.
Mr. Brayne, Labour Sub-Com.

82

The US Ambassador handed in the attached paper to the Chief Commissioner who wishes an early discussion on the matter. Will you discuss with me at 1700 hours this evening.

MSC

Brigadier,
Executive Commissioner.

3414

Declassified E.O. 12356 Section 3.3/NND No. 785017

LABOUR CONDITIONS IN NORTHERN ITALY.

Decision on following major questions of policy to be reached in Rome as soon as possible in order that appropriate instructions may be issued to AMG authorities in the North:

(a) Liberation bonuses.
AMG must determine who is to get them, who is to pay them, how much they are going to be, how they are to be negotiated.

(b) Unfreezing of employment.
Italian capital and labor have reached different partial solutions of this problem in Milan and Turin. No action can be taken until AMG headquarters makes up its mind.

(c) Validity of epuration by factory CLN's for non-political reasons.

(d) Authorization of salary increases.
Salary increases to government employees have been granted by the Army in both Bologna and Milan without the knowledge or consent of the labour officers, thus undermining the authority of the labour officers and the anti-inflation policy of the Allied Commission.

See 83-84

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

(81)

INTER OFFICE MEMORANDUM

ECONOMIC SECTION

1.44/RS

7 June 1945

JUN 8 1945

SUBJECT: Economic Rehabilitation of North Italy.

TO : Executive Commissioner.

(76)

1. I refer to your 4026/97/EC of 7 June. It is assumed that your reference is to the Prime Minister's letter 37008/15.5 of 1 June enclosing his memorandum requesting a United States credit of $300,000,000. This memorandum is currently being studied by this Section and a reply will be prepared for the signature of the Chief Commissioner.

file 5009/ec

A. G. ANGOLETTI
Acting Vice President
Economic Section

see 85

3.12

(see Denaro)

Declassified E.O. 12356 Section 3.3/NND No. 785017

ALLIED [redacted] COMMISSION

INTER-OFFICE MEMORANDUM

Office of the Executive Commissioner

AEW/ccm

FILE No. 4026/71/EC

SUBJECT: Economic and Social Problem in Northern Italy

7 June 1945

TO: Economic Section.

1. Reference is made to letter and memorandum from the President of the Council of Ministers on the three economic and social problems concerning north Italy which was sent to your Section.

2. It will be appreciated if the Executive Commissioner's office were to be kept informed as to any action taken by Economic Section in connection with these memoranda.

3411

Chief Staff Officer
To Executive Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

Spade

ES/7.01

5 June 1945

6 JUN 1945

My dear Mr. Prime Minister:

I have for acknowledgment your letter of June 4.

I note that the Italian Government considers that Epuration regulations must be made before fixing and paying Liberation Bonuses, if considered desirable, to Forestatal and Communal employees. I shall be glad to know what Epuration regulations are proposed in this respect.

The views of the Italian Government with regard to Administration and Management of establishments are noted. In order that any provisions which we may prepare may be in accordance with the established policy of the Italian Government in this respect, I should be glad to receive at the earliest moment, a statement of provisions which the Italian Government consider should be applied during the interim period while detailed study is being given to this complex question. In the meantime inquiries are being made as to developments which have taken place in the north with regard to the management of industrial concerns.

Very truly yours,

HILARY W. STONE
Rear Admiral, USNR
Chief Commissioner

His Excellency Ivanoe Bonomi
The President of the Council of Ministers
Italian Government
Rome

APPROVED
A.G. ANTOLINI
Acting Vice President
Economic Section

(Capt DEKHOLDT)

Copy to 11.06

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

Translation

The President of the Council of Ministers

n. 470

Rome, 4 June 1945

6 JUN 1945

Dear Admiral,

this morning, I sent you a memorandum on the three economic and social problems concerning North Italy.

I want to bring to your attention the advisability for A.C. to establish in Milan a Commission of coordination which might give the same instructions to the various regional commissioners of A.M.G., to avoid the various regions being governed in a different and often in a discordant manner, as it often happened in South and Central Italy.

Besides this Commission, there should be an Advisory Council (which would also have its seat in Milan) composed of:
- three officials to represent the Interministerial Committee for Reconstruction (one for the Ministry of Industry, one for the Ministry of Public Works, and one for the Ministry of Agriculture)
- two representatives of the C.L.N.A.I.

We may say that the economic structure of North Italy is one, and the various regions must be considered as completing each other, i.e., as the parts of the same organism. For this reason, it is necessary to have one direction only for the solving of the complex and urgent problems of the population which have such a great repercussion, also in the political and social field.

The creation of the A.C. Commission and of the Italian Advisory Council would make it possible to consider all questions from the point of view of the relations with Central and South Italy, as it is necessary gradually to start the unification of both economies which have been separated up to now.

I trust, my dear Admiral, that you will agree with the advisability of my request and take the necessary action to realize it.

Truly yours,

s. Ivanoe Bonomi

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

See Mm. 79 80
Folio 85

c.c.

(Capt Arnoldy)

Re 76

Pa. Capt. Arnoldy

Stone

Declassified E.O. 12356 Section 3.3/NND No. 785017

4826

COPY
Translation

The President of the Council of Ministers

Rome, 4 June 1945

JUN 6 1945

I enclose three memorandums representing the point of view of the Italian Government on the questions brought to our attention by the Allied Commission, and concerning the economy of North Italy.

Truly yours,

s. I. Bonomi

Admiral Ellery W. Stone
Chief Commissioner
Allied Commission
Rome

cc: ECON. SEC. (3)
Chief Commissioner
Ex. C.

COPY

Declassified E.O. 12356 Section 3.3/NND No. 785017

COPY
Translation

(7)

EMPLOYMENT OF MANPOWER

1. Obviously, it is necessary to avoid the danger of great and sudden unemployment.

2. Therefore, Ordinance n. 3 (16 April) of the C.L.N.A.I. should be maintained in force, no later than July 31st, till, for every firm or for every industrial sector, it will have been possible to find employment somewhere else for the superfluous manpower, in agricultural works, public works, etc.

3. To this end it is necessary:

(a) to begin at once the study of the plans to direct to other works the manpower to be dismissed, this with the collaboration of the C.L.N.A.I. and the workers organizations.

(b) immediately to extend to North Italy the decrees of the Central Government on the reconstruction of buildings, public works, etc.

4. The Central Government is willing to finance up to July 31st the deficit of the 'Cassa Integrazione Salari' to enable it to go on functioning during this period.

/s/ I. B.

22E3407

Declassified E.O. 12356 Section 3.3/NND No. 785017

COPY
Translation

LIBERATION "BONUS"

(a) For private concerns.

This 'bonus' comes from a promise made to the workers during the period of clandestine fighting to persuade them to defend the plants.

Immediately after the liberation, the 'quantum' of this liberation premium was fixed through agreements freely made between employers and workers.

Such being the case, the Italian Government thinks that the payment cannot be refused.

However, to prevent harmful repercussions on the circulation, this payment must be made by instalments, in three or four months, especially in the industrial sector.

(b) For state employees and parastatal and communal employees etc.

Before fixing and paying the Liberation bonus, epuration regulations must be fixed.

/s/ I.M.

3406

COPY

Declassified E.O. 12356 Section 3.3/NND No. 785017

COPY
Translation

ADMINISTRATION AND MANAGEMENT OF THE CONCERNS

1. The decree of April 25th of the C.L.N.A.I. states that 'till further and general orders, by a law decree of the National Government' the concerns which have been socialized by Mussolini must be managed by 'Councils of national administration' (Consigli di gestione nazionale) (art.2)

   As long as these Councils will not have been elected by the workers, their functions are exercised by the Comitati di Liberazione Aziendali' (art. 4)

2. The six parties of the C.L.N. decided in their order of the day of Milan and Rome 'to start the transformation of the Committees of the concerns into technical and syndical organs which will prove adequate to the requirements of production and social justice'.

3. Therefore, the Governments will at once study this question which includes a complex problem of a wide social, political and economic bearing.

4. It is therefore to be hoped that the regulations which A.C. means to issue for the temporary arrangements for the concerns do not prove prejudicial to the more stable and definitive solution which the Government may study and propose as soon as possible.

/s/ I.B.

3405

COPY

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

Ex. Comm

~~CONFIDENTIAL~~

9540
JUNE 041643B

E/3600
JUNE 0421153
ROUTINE

From: 5 ARMY
To: ACTION: ATTQ. INFO: CO, PBS, DISTRO and AFCOM

5 JUN 1945

CONFIDENTIAL

Ref your signal PX 82607 of 26 May subject local resources.

Concur except suggest paragraph 1 be made to read: "Controlled resources would be released only through AFLRS and ANG officers". Instead of "Surplus resources would be bought only by AFLRS and ANG officers".

Further, it is requested that supervisory control of AFLRS activities (as distinguished from local resources) in area be left with 5 ARMY. This is considered necessary to prevent diversion of resources needed for some operational use.

Dist

Info-Action - Economic Sec
Info - Chief Commissioner
Exec Comm
Commerce SC
Food 2
Labor SC
Industry SC
File 2
Float

3404

~~CONFIDENTIAL~~

Declassified E.O. 12356 Section 3.3/NND No. 785017

(68)

Ref: 4086/68/RO. 9 June 1945.

SUBJECT: Food Ration.

TO : A/VP, Economic Sec (2).

It is important that Regional Commissioners in AMG territory should know what is the policy with regard to food rationing. Is parity with Central and Southern Italy to be introduced or not? If so at what date? A direction on POLICY is required.

(Sgd) E. TALBOT, Lt.Col.
for Brigadier,
Executive Commissioner.

MSL/JG.

see 86
pa 128 Vol II

Declassified E.O. 12356 Section 3.3/NND No. 785017

Korb 4825
6

(67)

FOR ACTION 15 ARMY GROUP INFO FOR INFO ARMY G-5

8872 1 JUNE 1945 PRIORITY

(66)

JUN 2 1945

[redacted] PD

CANCEL OUR EIGHT EIGHT SIX TWENTY OF THIRTY ONE MAY PD

REFER TO FOR ACTION FIFTEENTH ARMY GROUP INFO FOR INFO ARMY GROUPS FIVE

SECTION FROM MC ALCOM CITE AGRED SIGNED ATOVS PARSE

INSTRUCTIONS FOR MOVEMENT OF GOODS BETWEEN NORTH AND SOUTH WILL FOLLOW

Distribution:
Exec Sec
Exec Comm
CC Files

3402

Chief Commissioner

222

H. E. Stone

HILBY H. STONE
Rear Admiral, USNR
Chief Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026 (66)

FOR ACTION 15 ARMY GROUP RPTD FOR INFO AFHQ G-5

8863 31 MAY 45 PRIORITY

~~RESTRICTED~~ PD

PENDING THE INITIATION OF PHASE TWO CMA

PAREN TO FOR ACTION FIFTEEN ARMY GROUP RPTD FOR INFO AFHQ GEORGE FIVE SECTION

FROM HQ ALCOM CITE AC&CO SIGNED STONE PAREN

RE MOVEMENT OF GOODS FROM NORTH TO SOUTH CMA REFER ALL INQUIRIES FOR MOVEMENTS OF FOOD TO THE REPRESENTATIVE OF THE FOOD SUBCOMMISSION CARE REGIONAL FOOD OFFICER IN MILAN CMA INQUIRIES RE THE MOVEMENT OF OTHER GOODS AND COMMODITIES MUST BE CLEARED THROUGH DCCAO

ECONOMIC SECTION

460

A.G. ANTOLINI
Acting Vice President

4607

3401

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

~~CONFIDENTIAL~~

Exp. Comm.

FX 85718
JUNE 01163B

R/1293
JUNE 020830
SECRET

FROM: AFHQ SIGNED SACMED CITE FHQAO
TO: AFMED, HOME ANNA, INFO: AFSOA

HEADQUARTERS
2 JUN 1945
A.F.H.Q.

JUN 2 1945

[redacted]

In view of the favorable conditions found in northern ITALY and the increased information available from AFSOA there is no longer need for forward tentacles from your Headquarters. Except for liaison officers with NIGHT MC and NIGHTWO all such forward groups will be withdrawn as soon as practicable. Although these instructions will cause a reduction in your commitments your TT/TO will not be reduced but myths not required will be reported to AFHQ for non-implementation.

SECRET

INFO-LOCKE - DOCM SEC 4
INFO - OFFICE COMMERCIAL ADA
AF COMMERCIAL MGR
FILE 2
FILE 2

3400

~~CONFIDENTIAL~~

(Gen Arnold)

Declassified E.O. 12356 Section 3.3/NND No. 785017

40268

FOR ACTION AFHQ, RPTD AFLRS, FIFTH ARMY, EIGHTH ARMY, DISTWO, DISTHREE, PBS, ONE FIVE ARMY GROUP

8861 1 June 1945 PRIORITY

~~CONFIDENTIAL~~ PD JUN 2 1945

PARA ONE PD REFERENCE YOUR FOX ORAY EIGHT TWO SIX ZERO SEVEN PD

PAREN TO AFHQ CITE FOX HOT CHARLIE AFLR GROUP FOR ACTION CMA RPTD AFLRS CMA FIFTH ARMY CMA EIGHTH ARMY CMA DISTWO CMA DISTHREE CMA PBS CMA ONE FIVE ARMY GROUP CMA FROM ALCOM CITE AGFCO PAREN

PARA TWO PD ALL PROPOSALS CONCURRED IN

40268/61/sec(4) refers.

3399

ECONOMIC SECTION

460

NICHOLAS PIOMBINO
CMO USA
Adjutant.

Declassified E.O. 12356 Section 3.3/NND No. 785017

63

ALLIED CONTROL COMMISSION

INTER-OFFICE MEMORANDUM

Office of the Executive Commissioner

FILE No. 4026/20

SUBJECT: 31 May 1945

TO : Office of the Chief Commissioner

60

1. Reference your inquiry 29 May re incoming cable Z/2607 of May 22 from SACMED, concerning AFHQ system of allocation of local resources.

2. Economic Section has forwarded a cable in reply concurring to the above.

A. B. ARNOLDY.
Chief Staff Officer
To Executive Commissioner

3398

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026/cc

HEADQUARTERS ALLIED COMMISSION
Office of the Chief Commissioner
APO 394

LWS/hjp

29 May 1945

MAY 30 1945

TO: Executive Commissioner, Hq A.C.

The Chief Commissioner desires to know what action has been or is being taken in regards to the following cables:

Acknowledged 5215/cc

1. Incoming E/2612 of May 27 from 15th Army Group, concerning instructions implementing G.O. #41.60

4026/cc

2. Incoming E/2607 of May 22 from SACMED, concerning the AFLRS system of allocation of local resources. Has AC concurrence been sent forward in this matter?

6510/cc

3. Incoming E/2571 of May 27 from SACMED. Subject matter doubtful; refers to dispatch of Hamblen. What is this all about?

L. W. Stearns 3397
L. W. STEARNS
Major, A.G.D.
Staff Officer to CC

see 63

Declassified E.O. 12356 Section 3.3/NND No. 785017

61

ALLIED [redacted] COMMISSION

INTER-OFFICE MEMORANDUM

ABW/bem

Office of the Executive Commissioner

SUBJECT: Economic Policy - Northern Italy

FILE No. 4026/61/ED(L)

TO : Economic Section

29 May 1945

1. Reference is made to AFHQ signal signed Sacmed, no. FX 82607 of May 29, copies of which were sent to your Section for action.

2. It would be appreciated if the Executive Commissioner's Office were informed of action taken in accordance with a request made in this signal.

Chief Staff Officer
to Executive Commissioner

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026 Ecrit

~~CONFIDENTIAL~~

Ev. Commr (60)

FX 82607
MAY 261901B

R/2607
MAY 272115B
IMPORTANT

HEADQUARTERS
28 MAY 1945
A. G.

From: AFHQ SIGNED SACMED CITE FHCAO

To: ACTION ALCOM AFLRS, 5 ARMY, 8 ARMY, DISTRO, DISTRENE, FBS, INFO 15 ARMY GROUP

MAY 28 1945

~~CONFIDENTIAL~~

It is urgently desired that the AFLRS system of allocation of local resources shall become effective thruout all ITALY at the earliest possible moment and that a uniform and organised system of determining, reporting and freezing controlled and restricted resources shall be put into effect. It is therefore requested that you approve the operation of AFLRS personnel within your whole areas or such part as will not interfere with your operations. The immediate effects of such approval would be that surplus resources would be sought only by AFLRS and AMG officers, that controlled and restricted resources including plants and facilities would be frozen only by AMG offrs, that allocation would be made only thru the committees of the AFLRS board and that the armies would bid their needs on AFLRS, and armies would not make allocations direct to any bidders. Your agreements and or comments are urgently requested in order that resources which are essential for the Allied forces and civil needs may not be disposed of to non essential users.

2. It is desirable that local sub committees of the wages and labour committees of the AFLRS board should function thru out ITALY as quickly as possible to prevent a spiralling of wages and to reconcile wages on a wide basis. The districts and base sections are familiar with the organisation and operation of these sub committees. If agreed to by Army commanders it is believed practicable for DISTONE DISTRO and FBS

3396

69

(Cary Arnoldy)

~~CONFIDENTIAL~~

see 61-69

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(59)

~~CONFIDENTIAL~~

(EX 82607 cont'd)

to set up sub committees in areas which they eventually will command even while armies are in control. Any such sub committee set up in an area still under Army control would have Army representatives. The situation is more critical in the eventual DISTRO where industry is concentrated and in which the service are anxious to make use of the facilities for redeployment purposes.

3. It is believed that both the above plans will free armies from present onerous tasks and expedite the orderly exploitation of Italian resources for Allied uses and the essential Italian economy. Request the matters be considered as urgent.

4. All addressees are requested to comment and or concur.

BLEE

ACTION: Econ Sec
INFO: Chief Commissioner
Executive Commissioner
Commerce S/C
Industry S/C 2
Food S/C 2
Labour S/C
File 2
Fleet

Copy to 5215/EC.

~~CONFIDENTIAL~~

3395

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026 + 504

SECRET

FT 76113
MAY 151972B

CONFIDENTIAL

X/GOP
MAY 161200B
ROUTINE

APRO FIXED RADIUS CTCO PSGDO
15 ARMY GROUP INFO AGCOM - MUTCOM - DIRTOO - FMIC 5 ARMY FOR
BRIT INGR - APLRT

MAY 16 1972

Your DO 107 of 5 May. Provinces of CONSIRIO BERGAMO CREMONA
MANTOVA PAVIA will be included in NW ITALY as shown appendix
A AG 303/061 SACMO of 18 March.

Dist

Info-Action - Room Sec 1
Info - A/President
Chief Commissioner
Exec Comm 2
File

CONFIDENTIAL

ACTION ON 504/EC

HEADQUARTERS
14 MAY 1945
A

SECRET

3394

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026 Ex Comm 356

MAY 15 X/756 MAY 15 1946 ROUTINE

X FOR INFORMATION ONLY

From: ROMEINS

To : G STEWART BROWN PRO ALLIED COMMISSION ROME

MAY 15 REC'D

IN CLEAR.

As releasing in MILAN 1200 Saturday view of the Italian members, concurred in by the AC Representatives, was that commerce and traffic of all sorts should be permitted between north and south ITALY in the very near future. This is particularly true of commodities which are surplus to this north area and for which there is demand elsewhere.

Question of soaking up the unemployed by finding useful work was touched on, and the Italian Representatives stated that this was an important problem, particularly during the period during which industrial plants are waiting for fuel or for raw supplies. It was stated that since rice fields must be planted very soon a program already was underway to employ a considerable number of people in clearing the fields and making them ready.

Problem of handling the bonus which was promised workers in north ITALY as compensation for there refusal to comply with German production demands also was considered briefly. One million people in LOMBARDY Region alone were promised the bonus, which ranges from 1500 to 5000 lire per worker, adding up to a total in excess of three billion lire. No consideration is being given to making at least partial payment of this sum in government bonds, so as to avoid the inflation stimulus were 1093 to be paid out in cash within a brief period.

The CLN and AC Representatives will continue sessions for the next 3 days.

(DIST OVER)

(Capt Ashley)

Declassified E.O. 12356 Section 3.3/NND No. 785017

1a 4026

Ex Comm (C)

(55)

FOR INFORMATION ONLY

MAX

R/F95
MAY 15/1030B
ROUTINE
MAY 15 1030B

From: ROBBINS

To: G STERNAN BROWN FRO ALLIED COMMISSION ROME

IN CLEAR.

An releasing in MILAN 1200 Saturday censured by GILL -- how to merge the Financial, Industrial and Agricultural phases of north and south ITALY into one economic whole is been considered by the Allied Commission and National Committee of Liberation in sessions in MILAN.

The first such meeting was held 11 May during which chiefs of the various sub commissions of AC met with chiefs of corresponding committees of the CLNAI. Purpose of the first meeting was to exchange information as to conditions in north ITALY so that the AC representatives could have first hand data on which to base their plans.

A.G. ARGOLINI, Acting Vice President of the Economic Section of AC, headed the AC Delegation, which has toured parts of north ITALY and learned some of the problems facing this newly liberated area. The Italian Delegation was headed by ALFREDO PIZZIGONI who went under the name of LORENZI during German occupation, as President of the Central Financial Committee, and CESARE BERGAGNA, member of the Liberal Party, president of the Economic Committee.

3392

Mr PIZZIGONI stated that manufacturing plants in north ITALY are generally in operating condition but are in need of coal and raw material stocks are low. Partisan organizations were able to frustrate German plans to wreck industrial and utility

(Capt Hardy)

Declassified E.O. 12356 Section 3.3/NND No. 785017

(54)

CONTINUATION PAGE 2 #795

installations, and the speed with which Allied Armies broke enemy defenses and swept through the north was such as to cause the Germans to think more of escape or survival than property destruction.

Mr FIELDING stated that while conditions in the north are considerably different from those in the southern part of the country, all recognize that ITALY is necessarily one people and one country, and all planning and operations must go ahead on that basis

LIST

ACTION: : PM RM

INFO : A/PRESIDENT
CHIEF COMMISSIONER
EX COMMISSIONER
ECON SEC
FINANCE
FILE (2)
PLOAT

See H 58

3391

Declassified E.O. 12356 Section 3.3/NND No. 785017

400 Ag Exchange (51)

~~SECRET~~

51
MAY 1918502

R/566
MAY 191125Z
PRIORITY

CONFIDENTIAL
FOR ADMINISTRATOR ONLY

MAY 14 REC'D

From: ANTOLINI - MILAN IV CORPS
To: HQ ALCOM - ROME

~~SECRET~~

As previously reported economic barrier does not exist in practice but this is not generally known and CLNAI Economic Council consider theoretical barrier should be maintained for further 2 weeks and we concur for following reasons:

1. Facts and figures reflect lower wages and prices but tendency is upwards. Free flow or trade will have a deflationary effect in the south and impact on the north will be lessened by this delay of 2 weeks.

2. The morning papers indicate members of Italian Govt coming to MILAN early next week. We feel this is most important and highly necessary from both an economic and political point of view.

3. Appreciate your confirmation on trip of Government members and Rts. Please signal me care of SALUR IV CORPS MILAN.

HEADQUARTERS
13 MAY 1945
A. C.

DEST

ACTION: Exec Sec
INFO: A/President
Chief Commissioner
Executive Commissioner
File 2
Fleet 3399

See M.D.
B.

CONFIDENTIAL

~~SECRET~~

Declassified E.O. 12356 Section 3.3/NND No. 785017

4024

Ex Comm R

(51)

~~SECRET~~

51
MAY 121850B

E/566
MAY 131125B
PRIORITY

From: ANTOLINI - MILAN IV CORIS
To: HQ ALCOM - ROME

CONFIDENTIAL
FOR INFORMATION ONLY

MAY 14 RECD

~~SECRET~~

As previously reported economic barrier does not exist in practice but this is not generally known and CLNAI Economic Council consider theoretical barrier should be maintained for further 2 weeks and we concur for following reasons:

1. Facts and figures reflect lower wages and prices but tendency is upwards. Free flow or trade will have a deflationary effect in the south and impact on the north will be lessened by this delay of 2 weeks.

2. The morning papers indicate members of Italian Govt coming to MILAN early next week. We feel this is most important and highly necessary from both an economic and political point of view.

3. Appreciate your confirmation on trip of Government members and Etc. Please signal me care of WALKER IV CORPS MILAN.

HEADQUARTERS
13 MAY 1945

DEST

A. C.

ACTION: Econ Sec
INFO: A/President
Chief Commissioner
Executive Commissioner
File 2
Fleet 3399

See M. 52
53.

CONFIDENTIAL

~~SECRET~~

(Capt Arnold)
Miss Kenelleyn

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

~~SECRET~~

CONFIDENTIAL

FOR INFORMATION ONLY

CITE 60137
MAY 051500B

D/9834
MAY 0521[illegible]
ROUTINE

15 ARMY GROUP

AFHQ, INFO ALCOM, DIRNAVO, DIRTUNE, PBS, FIFTH ARMY.

MAY 6 REC'D

Reference your AG 323/061 CAO-0 of 2 May subject local resources in NW ITALY.

Definition NW ITALY as given your para 3 does not agree with boundaries shown appendix A your AG 323/061 MACG-0 of 18 March. According latter Provinces CUNEIRIO BERGAMO CREMONA BRESCIA PARMA are included in NW ITALY. In order avoid further confusion request you clarify to all concerned.

EXIT

ACTION: Econ Sec 3
INFO: A/President
Chief Commissioner
Executive Commissioner 2
File

CONFIDENTIAL

~~SECRET~~

see M. 48 & 49 + 38894

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

CC 5202

5 May 1945.

MAY 5 REC'D

TO : Mr. A. G. Antolini, Acting Vice President, Economic Section.
(THRU: Executive Commissioner)

AFHQ desires, and I concur, that the Economic Section submit a report on the effectiveness of the economic boundary control--such report to be submitted to me by 15 May. We have all agreed that the maintenance of this boundary is but temporary, but it is important that we fix as soon as possible a definite date for its abolition and not allow the control to lapse through lax enforcement.

/s/ Ellery W. Stone

ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

cc: Exec. Comm'r.

see M

3388

(LT COL TALBOT)

Declassified E.O. 12356 Section 3.3/NND No. 785017

~~SECRET~~

ALLIED FORCE HEADQUARTERS
APO 512

RHF/jcm
AF 737
~~S E C R E T~~
Auth: S.C. 30
Initials:
2 May 1945

43

10

CONFIDENTIAL

AG 323/061 GAO-O

2 May 1945

SUBJECT: Local Resources in Northwest Italy

TO: Commanding General, 15th Army Group, APO 777
Chief Commissioner, Allied Commission, APO 394
General Officer Commanding, Number 2 District

1. GENERAL. Reference is made to AFHQ letter, AG 323/061 GDS-O, dated 25 January 1945, as amended, subject: "Occupation of NW Italy".

2. OBJECT. The object of this letter is to outline the administrative plan whereby local resources in North West Italy may be ascertained and utilised to the maximum on occupation of that territory by the Allied Armed Forces.

3. DEFINITION. NW Italy is defined as the area for which Headquarters Number 2 District is to be responsible, viz:

a. The Compartimento of Liguria

b. The Compartimento of Piemonte

c. The Provincia of Varese

d. The Provincia of Como } In the Compartimento of
e. The Provincia of Milano } Lombardia
f. The Provincia of Pavia }

g. The Provincia of Piacenza } In the Compartimento of Emilia

(This Province may not initially be under Number 2 District)

Recorded see 150

4. POLICY. The policy affecting local resources in NW Italy is summarized as follows:

3387

a. Munitions Plants in NW Italy will not be required for production of weapons and ammunition during the period of the European and Japanese wars.

see M.48

~~SECRET~~

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b. The maximum utilisation of all resources in NW Italy, both agricultural and industrial will be affected to meet:

(1) Allied Armed Forces requirements and Italian civilian needs to prevent disease and unrest.

(2) Rehabilitation of the Italian economy.

c. AC/AMG will, as in Southern Italy, primarily be responsible for:

(1) Preparing inventories and disclosing availabilities of all types of materials, foodstuffs, plant, tools and equipment.

(2) The efficient organisation of industries to encourage maximum production of essential products.

d. AFLES AFHQ is charged with the responsibility of co-operating jointly with AC/AMG in the task described in c, above.

e. In relation to NW Italy, AFLE (Italian) Board will exercise its normal functions as defined in AFHQ Administrative Memorandum Number 41 of 17 September 1944.

5. PREPARATION OF INVENTORIES. In order that the maximum benefit may accrue to the Allied Armed Forces and Allied Commission from local resources, it is essential that accurate and complete listing be made of resources uncovered by occupation of additional territory. Such information will be reported to AFLES AFHQ without delay, to prevent dissemination of valuable materials by civilians for their own profit, to the detriment of the requirements of the Allied Armed Forces and the Allied Commission.

6. CONTROL. Under the terms of AFHQ letter above quoted, the responsibility of co-ordinating the planning and execution of such forms of military assistance in NW Italy as are outlined in that directive is delegated to Headquarters Number 2 District.

7. METHOD. During Phase I of the occupation of NW Italy as defined in paragraph 4 a, of AFHQ letter above quoted, AFLES officers will be established at Headquarters Fifth Army or such other headquarters as may be designated for the task. The specific duties of these officers will be liaison with AMG Fifth Army and the rendering of assistance to them in their task of investigation and reporting of local resources.

7. During Phase II of the occupation of NW Italy:

a. At each of the principal centres, namely: Genoa, Turin Province and Milan Province, there will be established AFLES representatives (with complement of clerks and vehicles necessary)

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CONFIDENTIAL

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b. The duties of these officers will be:

(1) To assist AC/AMG officers in investigation, compilation of information and despatch of reports.

(2) To implement the decisions and instructions of AFLR (Italian) Board, communicated to them through AFLRS.

c. At Headquarters Number 2 District there will be established an ADT AFLRS detachment with complement of clerks and vehicles as necessary.

d. The function of this detachment will be:

(1) To control and co-ordinate the activities of the AFLRS representatives in sub-paragraph a, above.

(2) To keep Headquarters Number 2 District informed of all local resources revealed in NW Italy, and of the policies and directions of the AFLR (Italian) Board in connection therewith.

(3) To report all information received by them to AFLRS.

(4) To implement in liaison with Headquarters Number 2 District the directions of AFLRS regarding local resources in NW Italy.

BY COMMAND OF FIELD MARSHAL ALEXANDER:

Edmund R. Shugart
EDMUND R. SHUGART
Colonel, AGD
Asst Adjutant General

see 150

DISTRIBUTION:

5 - Each addressee
1 - C-in-C, Med
1 - CG, MTOUSA
1 - CG, Fifth Army
1 - CAO
1 - A/CAO
1 - G-2, AFHQ
1 - G-3, AFHQ
1 - G-4 (A) AFHQ
1 - G-4 (B) AFHQ
1 - G-5 AFHQ
1 - Log Plans
1 - Q(Maint)
1 - Q(AE)
1 - QM
1 - CE

1 - S & T
1 - Ord (B)
1 - REME
1 - Tn (B)
1 - Med (B)
1 - FA (B)
1 - DPIC
1 - C.EFI
1 - P & S S
1 - MAAF (A)
1 - MAAF (B)
1 - MAAF/MTO
1 - FA MAF
1 - Hq No. 1 District
1 - Carabinieri
1 - CG, PBS

1 - Director, Engr Production & Stores
1 - Fiscal Director, MTO
1 - Ordnance (MTO)
2 - AG Records
1 - AG M & D

Ex Comdr Dist - 4 Motor Co
~~338th~~
9 - Chief Officer
10 - Ex Comdr
11
12
13 } ECON Sect

Declassified E.O. 12356 Section 3.3/NND No. 785017

42A

COPY

TO: FOR ACTION - CIVIL AFFAIRS SECTION 15 ARMY GROUP
SCAO 5 Army
G-5, IV Corps
AMG 8 Army
AMG Emilia
AMG Umbria-Marche
AMG Toscana

FOR INFO ; AMG Liguria
AMG Piemonte
AMG Lombardia
AMG Venezia (Main and Advance)
2 District
3 District
MAAP
PRS
G-5 AFHQ

FROM: ALCOM CITT ACHCO

5920

24 April 1945

~~CONFIDENTIAL~~

PRIORITY

ECONOMIC SECTION

~~CONFIDENTIAL~~

Subject is economic control Northern Italy.

1. Due to the wide variations between price and wage scales reported from Northern Italy and those in Southern Italy, AFHQ has approved effective immediately a policy which separates the two economies for an initial period.

2. Economic boundary line will be northern boundaries of RAVENNA, FIRENZE, PISTOIA and LUCCA Provinces, and the Northern and Western boundary of APUANIA Province.

3. Wide price differentials will make smuggling and black marketing across the economic boundary profitable for both civilian and military vehicles (Allied and Italian). AFHQ by signal FX 64192 of 22 April has directed Allied military formations to establish police road blocks (check posts) on all roads crossing the economic boundary as set forth in para 2 to examine both northbound and southbound traffic for illegal cargo. Road blocks will be staffed jointly by military police (to search

3385

ACTION COPY ON 4609/EC

Declassified E.O. 12356 Section 3.3/NND No. 785017

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military vehicles) and Carabinieri or Guardi di Finanza (to search civilian vehicles). It is understood that road blocks in areas under United States control will conform in general to SOP announced in PMG circular No. 1. Military formations have been requested by AFHQ to cooperate closely with ALCOM in establishing an effective system of check and blocks.

4. The following types of cargo will be subject to search, movement of which across economic boundary will not be permitted except under procedures to be established by ALCOM/AMG. (a) Metals, ferrous, nonferrous, fabricated and non-fabricated; (b) building materials; (c) plywood; (d) electrical materials; (e) industrial gases and chemicals; (f) hemp, raw, tow and manufactured products including rope and canvas; (g) leather and all leather articles; (h) hides and skins; (i) greases and solvents; (j) textile fibers - cotton, silk, wool and synthetic; (k) matches; (l) phosphate rock; (m) tanning materials; (n) cellulose for paper manufacture; (o) carbon bisulphide; (p) soap; (q) sulphuric acid; (r) sulphur rock and processed sulpher; (s) solid fuels; (t) newsprint and other paper; (u) petroleum products, oils, lubricants and containers therefor; (v) food and agricultural products.

5. General order and detailed directives are being prepared. In the meantime the following general policies will be effective North of the economic boundary superseding all previous instructions (a) prices of all nonimported items on which there was an official price in the North as of 3 April are to be held or rolled back to that price as maximum. Other essential nonimported items on which there was no official northern prices as of 3 April should be priced on basis of the normal price relationship to other items during May 1938. (b) Imported commodities other than food will be priced at landed cost plus cost of distribution. (c) Wheat and minor cereals will be assessed at the 3 April existing price. (d) All food imported or indigenous to the North must be priced at 3 April prices. (e) A price scale for medical supplies will be issued shortly. In the interim apply landed cost plus cost of distribution. (f)All transport rates will be fixed at level for entire northern

Declassified E.O. 12356 Section 3.3/NND No. 785017

area scale to be issued soon. In the interim apply 50% off 30 January 1945 RMAC tariff charge for present Italian Government territory. (g) Rates for all public utilities service will be fixed at charges existing at 3 April. Changes are forbidden without prior approval by AMG Regional procedure to be established.

6. The following wage policies will apply: (a) For private industry wages in force on 3 April will be recognised as appropriate. Right of negotiation for wage changes at later dates is recognised but application or change is forbidden without prior approval by AMG Regional procedure to be established. (b) State employees found in the North will be paid at rates applicable 3 April. Those transferred from the South will be paid in cash in North at 3 April northern rates and credited in ROME for the difference between the northern and southern rates. Carabinieri will be paid in cash at southern rates whether transferred from South or taken on in the North. (d) Both in private industry and in state employment there will be no repeat no automatic application of cost of living bonus or other wage increase decrees of changes in force in South.

7. Instructions with respect to wages for civilians employed by Allied forces are being issued by Allied Force Local Resources Section, Ref. No. LRS/601A of 23 April.

(sgd) L. D. DENSMORE.

ADD to Para 4.

(w) Rubber, tires and all rubber products; (x) motor transport parts and accessories; (y) motor and other vehicles and all animals customarily used for transport purposes except those specifically authorised to cross the boundary.

Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

GENERAL ECONOMIC POLICY FOR NORTHERN ITALY

2-40

APR 2, RECD

INTRODUCTION

A. Reports from Northern Italy up to the end of March 1945 indicate that vigorous action has been taken to control prices and wages, so that most prices are reported to be substantially lower than those in the South. It is however possible that the control mechanism established will be used by the enemy in the last days of occupation deliberately to damage and confuse the economic structure for the purpose of rendering resumption of normal work, industry and trade more difficult. In any case it is probable that before the Allies can gain effective control, there will be a period during which significant increases in prices may be expected.

B. This Board in its report of 4 April indicated that price, wage and distribution controls of the Italian Government in Southern Italy had not been effective with the result that prices and wages have risen sharply and that goods were moving to a considerable extent outside the controlled distribution channels. It is expected that this trend toward inflation in the South will continue until corrective measures are applied.

C. Notwithstanding the possibility of a measure of inflation in the North as pointed out in Paragraph A it is probable that such inflation will be less than in the South. The best indications are that the Allies will find wages, prices and industrial costs at a level below those of the South.

I. RECOMMENDATION

The Board recommends that initially Northern Italy should be treated as a separate economy and that the area to be so treated comprises Emilia, Liguria, Piemonte, Lombardia and Venezia Regions. This report deals only with this area and its administration by AMG. The Board will at a later date report on the problem of bringing the economies of the North and South back into their normal peace-time relationship to each other.

II. BASIC PRICE AND WAGE POLICY

Prices and wages will be stabilized at the officially recognized rates existing in the area on 3rd April 1945. Initially, where there is no official price the Provincial Price Committee will establish the appropriate levels.

3382

III. ADJUSTMENT OF BASIC PRICES AND WAGES

The organization and procedure whereby recommendations for adjustments will be acted upon will be planned immediately in conjunction with the

Declassified E.O. 12356 Section 3.3/NND No. 785017

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administrative and technical organizations who will be charged with carrying out the policy in the regions. (see V)

IV. PRICES

A. Goods for which prices must be considered fall into three general categories:

1. Relief goods - food, medical supplies and clothing.

2. Non relief goods - including all industrial goods, and consumer goods not included in Category 1.

3. Rents and services - including public utility and transport rates, as well as household rents.

B. The prices of relief goods imported from abroad or from Southern Italy will be related to the appropriate level even if it is necessary to provide a subsidy at point of entry in cases where the imported landed cost is higher. If landed costs are lower than appropriate levels, pricing will still be at those levels. Such levels will also apply to all indigenous supplies.

C. The price for non relief supplies if imported from abroad will be the landed cost plus a mark-up limited to the actual cost of distribution. Imports from Southern Italy will be priced at Northern levels. A subsidy will be granted at point of entry if landed costs plus distribution cost exceed northern levels. All indigenous supplies will move at appropriate price levels.

D. All prices in the 3rd category will remain at the existing levels.

E. The directive of 22 June 1944 will be withdrawn with respect to the Northern regions.

F. The maintenance of the above price policy will depend upon rigid rationing and other distribution controls and on the vigorous control of transport. It is recommended that all sales of industrial machinery and equipment should be on a conditional basis with re-sale permitted only to AMG. As the first step in controlling civilian supplies, the Board recommends that commodities for civilian supply be purchased only by government agencies or other agencies licensed by the Government. Bartering for supplies by AMG or licensed agents will not be allowed. Other techniques of control will be developed by the specialists in A.C. sub-commissions into an operating program to be administered by AMG.

3381

G. An organization and procedure for considering recommended adjustments in prices will be established as referred to in the above Paragraph III.

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V. WAGES REGULATION IN INDUSTRY

1. It has been agreed in principle that wage rates prevailing in industry in the North on 5 April, 1945, should be recognized as the appropriate rates unless there is good reason to the contrary (such as the grant of an abnormal wage increase as a political weapon to throw Italian economy into disorder, or a disproportionate wage rate fixed by a management board on which workers' representatives predominate); and also that no changes in wage rates will be recognized until AMG, through the Regional Commissioners, has indicated approval.

2. Requests for approval of proposed wage changes will reach the Regional Commissioner through the Ufficio del Lavoro. In transmitting the requests each Ufficio should attach observations confirming that the request related to an agreement, or alternatively recording the disagreement of one or the other of the negotiating bodies as representative of the interests concerned; indicating which important interests are outside or not parties to the agreement; give the relative precedent rates; refer to the corresponding wages paid in the area to employees of the Armed Forces; and make a recommendation regarding the particular request.

3. The Regional Commissioner will refer the request to the Regional Italian Joint Advisory Committee, which comprises representatives of the Italian Government, Italian Industry and organized labor, and will receive from that Committee a recommendation for the approval, or the rejection, or the reference back for further consideration of the proposals. Regional Italian Joint Advisory Committees will have regard to local circumstances and particularly the effect of the proposed wage changes on other industries in the same locality; and will also have regard to prevailing rates in similar industries in other parts of the Northern regions; and to the rates of wages prevailing in other parts of Italy. In view of the policy of Allied Military Government to control commodity distribution and prices, the Advisory Committee will have particular regard to suggested inadequacy of control measures that may be advanced as a reason for increase of wage scale. The Advisory Committee may consider it appropriate to recommend action to remedy unauthorized price variations instead of recommending wage variations. In general, any approved wage changes will have regard to local variations of circumstances in Northern Provinces so that different rates may be approved within the same region.

4. Regional Labor Offices (AMG) and Regional Italian Joint Advisory Committees will keep themselves informed of progress of negotiations for wage changes in larger industries in principal localities.

5. Enforcement of Wage Agreements - The Labor Inspectorate of the Ministry of Labor, Industry and Commerce will be the agents of AMG for the enforcement of observance with the AMG Order on the subject of wage regulation. Uffici del Lavoro in the respective localities will also be concerned with wage negotiations and the general observance of agreements. Uffici del Lavoro will report, as a matter of urgency, to Regional Labor Officers, through channels, any evidence of industrial

Declassified E.O. 12356 Section 3.3/NND No. 785017

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unrest or any stoppages of work or strikes that may occur as a result of dissatisfaction with wages and conditions. Reports will be referred to the Regional Italian Joint Advisory Committee, whose intervention and advice will be sought.

VI. FURTHER ACTION

The Board will foster and coordinate development of inflation control measures by the technical and administrative organizations of A.G. and AMG. The importance of such coordination is stressed because it is obvious that any one element of increasing prices or costs could destroy the entire program. Close coordination is also made necessary by the dependence of one area of economic control activity upon another. For example, the control of food supplies will depend largely upon control of transportation; and the control of prices themselves depends on control of supplies.

9 April 1945

Declassified E.O. 12356 Section 3.3/NND No. 785017

~~SECRET~~ 3. Date 23 Apr 45

(35)

INTER OFFICE MEMORANDUM

ECONOMIC SECTION LDD/es

1.00/ES CONFIDENTIAL 18 April 1945

APR 19 REC'D

SUBJECT: Local Resources in N. W. Italy

TO : Acting Executive Commissioner. (33)

1. Reference your 4026/EC of 18 April, above subject, attached to which was copy of draft prepared by A.F.L.R.S. for transmission to C.A.O., AFHQ, such draft is herewith returned. (37)

2. This matter was referred to Brigadier Anderson and he has returned the papers with the following note:

"Mr. Antolini -

I spoke to Colonel Sheldon, A.F.L.R.S. this morning re paras 9 and 10. The acceptance of the proposals is primarily one for IV Corps. I promised Colonel Sheldon I would raise the question with G-4, IV Corps at our meeting on Friday.

D.L.A. 18/4/45".

3. Brigadier Anderson will clear with Colonel Sheldon after he (Brigadier Anderson) returns from IV Corps meeting.

For the Acting Vice President.

L. D. Denmore

L. D. DENMORE
Colonel, FA, CSO
Economic Section

2 Incls.
1 - ltr 4026
2 - Draft

cc: Commerce S/C (through Brig. Gen. McKinley)
Brigadier Anderson

3578
M86744

note

SECRET

HEAD QUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

CONFIDENTIAL

SECRET

(34)

Ref: ES/119

18 April 1945
APR 18 REC'D

SUBJECT: Meeting at Lucca & Florence

TO : Distribution below

1. Reference meeting in the Vice President's Office, 17 April 1945. The following arrangements have been made for the discussions with 4 Corps & AMG Fifth Army:

2. Transport

1 Car	Mr. Antolini Col. Murphey Driver
1 Car	Brig. Gen. McKinley Major Tooby Mr. Stauffer Driver
1 Car	Brig. Anderson Col. Evans Lt. Col. Maskrey Driver
1 Car	Col. Rigtedt Lt. Col. Imrie Lt. Col. Harris Driver
1 Car	Mr. Braine Lt. Col. Babcock Driver

3. Travel orders have been applied for by Economic Section and will be issued to all concerned.

4. Parties will leave Rome independently Thursday morning 19 April 1945.

5. Accomodation has been booked for American & British Officers & Civilians for the nights 19/20, 20/21 and 21/22 April 1945 at the Excelsior Hotel, Florence.

6. Driver accomodation. EM/OR's & Italian soldier drivers to report to Town Major's office, Florence for accomodation. Italian civilian drivers can be accomodated with AMG Fifth army.

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1 Car	Brig. Gen. McKinley Major Tooby Mr. Stauffer Driver
1 Car	Brig. Anderson Col. Evans Lt. Col. Maskrey Driver
1 Car	Col. Ristedt Lt. Col. Imrie Lt. Col. Harris Driver
1 Car	Mr. Braine Lt. Col. Babcock Driver

3. Travel orders have been applied for by Economic Section and will be issued to all concerned.

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6. Driver accomodation. EM/OR's & Italian soldier drivers to report to Town Major's office, Florence for accomodation. Italian civilian drivers can be accomodated with AMG Fifth Army.

337

7. Rendezvous for meeting with 4 Corps 20 April 1945, to be notified later.

8. Parties will return to Florence p.m. 20 April 1945.

9. Rendezvous for meeting with AMG Fifth Army & No. 1 District 21 April 1945, to be notified later.

10. Parties will return to this Hq 22 April 1945.

~~Secret~~

Declassified E.O. 12356 Section 3.3/NND No. 785017

11. Officers & Civilians are requested to obtain haversack rations for lunch 19 April 1945, from their messes.

J. Bruce Thompson

J. BRUCE THOMPSON, Lt.Col.R.A.C.
Chief, Adm. & Fgrsn. Division
Economic Section

DISTRIBUTION:

Executive Commissioner
Mr. Antolini
Brig. Gen. McKinley
Brig. Anderson
Col. Murphey
Col. Ristedt
Col. Evans
Mr. Braine
Lt. Col. Babcock
Lt. Col. Harris
Lt. Col. Haskrey
Lt. Col. Imrie
Major Tooby
Mr. Stauffer

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Declassified E.O. 12356 Section 3.3/NND No. 785017

(33)

Ref: 4026/EC.

18 April 1945

Subject: Local Resources in N. W. Italy

To : Vice President, Economic Section

(32)

Herewith a copy of draft prepared by AFLMS for transmission to CAO, AFHQ. Please see paragraph 9 and 10. From our viewpoint I see no objection to this and would be glad to have any comment which you might wish to make.

(Sgd) N. E. Fiske
NORMAN E. FISKE
Colonel
Acting Executive Commissioner

(35)

Encl. - Report on Local Resources in N. W. Italy

3376

(32)

CONFIDENTIAL

DRAFT. ~~SECRET~~

SUBJECT: LOCAL RESOURCES IN N.W. ITALY.

OBJECT.

1. To outline an Administrative plan whereby local resources in North West ITALY may be ascertained and utilised to the maximum on occupation of that territory by the Allied Armed Forces.

DEFINITION.

2. N.W. ITALY is defined in AFHQ letter AG 323/061 GDS-O dated 30 Jan 45 as the area for which Headquarters No. 2 District is to be responsible, viz.,

(a) The Compartimento of LIGURIA.

(b) The Compartimento of PIEMONTE.

(c) The Provincia of VARESE.

(d) The Provincia of COMO.)
(e) The Provincia of MILANO.) In the Compartimento of LOMBARDIA.
(f) The Provincia of PAVIA.)

(g) The Provincia of PIACENZA in the Compartimento of EMILIA. (This Province may not initially be under No. 2 District).

ASSUMPTIONS.

3. The paragraphs following are based upon certain assumptions viz.,

(a) Munitions Plants in N.W. ITALY will not be required for production of weapons and ammunition during the period of the European and Japanese wars.

(b) The maximum utilisation of all resources in N.W. ITALY, both

Declassified E.O. 12356 Section 3.3/NND No. 785017

as the area for which Headquarters No. 2 District is to be responsible, viz.,

(a) The Compartimento of LIGURIA.

(b) The Compartimento of PIEMONTE.

(c) The Provincia of VARESE.

(d) The Provincia of COMO.)
(e) The Provincia of MILANO.) In the Compartimento of LOMBARDIA.
(f) The Provincia of PAVIA.)

(g) The Provincia of PIACENZA in the Compartimento of EMILIA. (This Province may not initially be under No. 2 District).

ASSUMPTIONS.

3. The paragraphs following are based upon certain assumptions viz.,

(a) Munitions Plants in N.W. ITALY will not be required for production of weapons and ammunition during the period of the European and Japanese wars.

(b) The maximum utilisation of all resources in N.W. ITALY, both agricultural and industrial will be effected, to meet the following,

(i) Allied Armed Forces requirements and Civil requirements to prevent disease and unrest.

(ii) Rehabilitation of the Italian economy.

(c) The policy will be that AC/AMG will, as in SOUTHERN ITALY, primarily be responsible for:-

(1)

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(31)

(i) preparing inventories and disclosing availabilities of all types of materials, foodstuffs, plant, tools and equipment.

(ii) the efficient organisation of industries to encourage maximum production of essential products.

AFLRS will, however, be charged with the responsibility of co-operating jointly with AC/AMG in this task.

(d) In relation to N.W. ITALY, AFLR (ITALIAN) Board will exercise its normal functions as defined in AFHQ Adm. Memo. No. 41 of 17 Sep 44.

PARTS.

4. PREPARATION OF INVENTORIES.

In order that the maximum benefit may accrue to the Allied Armed Forces and Allied Commission from local resources, it is essential that accurate and complete listing be made of resources uncovered by occupation of additional territory; further, that such information be reported to AFLRS without delay.

5. TIME.

Time is of the essence in the registration and reporting of local resources upon occupation of territory, to prevent dissemination of valuable materials by civilians for their own profit, to the detriment of the requirements of the Allied Armed Forces and the Allied Commission.

6. CO-OPERATION.

3374

Close co-operation at all levels between AC/AMG personnel and AFLRS is essential in the implementation of the policy to use local

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its normal functions as defined in AFHQ Adm. Memo. No. 41 of 17 Sep 44.

FACTORS.

4. PREPARATION OF INVENTORIES.

In order that the maximum benefit may accrue to the Allied Armed Forces and Allied Commission from local resources, it is essential that accurate and complete listing be made of resources uncovered by occupation of additional territory; further, that such information be reported to AFLRS without delay.

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Time is of the essence in the registration and reporting of local resources upon occupation of territory, to prevent dissemination of valuable materials by civilians for their own profit, to the detriment of the requirements of the Allied Armed Forces and the Allied Commission.

3374

6. CO-OPERATION.

Close co-operation at all levels between AG/ACC personnel and AFLRS is essential in the implementation of the policy to use local resources for the common effort.

7. INDUSTRIAL IMPORTANCE OF N.W. ITALY.

The following statistics indicate the industrial activity which existed in 1939 in the main centres.

COMPARTIMENTO.	PRINCIPAL TOWN.	POPULATION OF PRINCIPAL TOWN (1943)	NUMBER OF FACTORIES LISTED PER COMPARTIMENTO.
LIGURIA	GENOA	666,678	130
PIEMONTE	TURIN	712,831	465
LOMBARDIA	MILAN	1,250,389	528
			1123

The above figures exclude all merchants warehouses and retailers.

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(30)

8. CONTROL.

Under the terms of AFHQ letter AG 323/061 GDS-O dated 25 Jan 45, the responsibility of co-ordinating the planning and execution of such forms of military assistance in N.W.ITALY as are outlined in that directive is delegated to Headquarters No. 2 District.

PLAN.

9. During Phase 1 of the occupation of N.W.ITALY as defined in para 4 a of AFHQ letter above quoted, there will be established at Headquarters Fifth Army or such other Headquarters as may be designated for the task, two AFLRS Officers (one US, one Br). The specific duties of these Officers will be liaison with ANS Fifth Army and the rendering of assistance to them in their task of investigation and reporting of local resources. So soon as the AFLRS representatives under para 10 below are called forward, the AFLRS representatives with the Fifth Army will be withdrawn.

10. During Phase II of the occupation of N.W.ITALY,

(a) At each of the principal centres there will be established AFLRS representatives (with complement of clerks and vehicles as necessary), as follows:-

GENOA.	One US and one Br Officer.
TURIN PROVINCE.	One US and one Br Officer, plus two technically trained (Engineer) English speaking Italian Military Officers.
MILAN PROVINCE.	Two US and two Br Officers, plus two Italian Officers.

3373

(b) The duties of these Officers will be,

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9. During Phase I of the occupation of N.W.ITALY as defined in para 4 of AFHQ letter above quoted, there will be established at Headquarters Fifth Army or such other Headquarters as may be designated for the task, two AFLRS Officers (one US, one Br). The specific duties of these Officers will be liaison with ANB Fifth Army and the rendering of assistance to them in their task of investigation and reporting of local resources. So soon as the AFLRS representatives under para 10 below are called forward, the AFLRS representatives with the Fifth Army will be withdrawn.

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GENOA.	One US and one Br Officer.
TURIN PROVINCE.	One US and one Br Officer, plus two technically trained (Engineer) English speaking Italian Military Officers.
MILAN PROVINCE.	Two US and two Br Officers, plus two Italian Officers.

3373

(b) The duties of these Officers will be,

(i) to assist AG/ANB Officers in investigation, compilation of information and despatch of reports,

(ii) to implement the decisions and instructions of AFLR (ITALIAN) Board, communicated to them through AFLRS.

(c) At HQ No. 2 District there will be established an Advance AFLRS detachment consisting of:

Two US Officers (one first grade)
Two British Officers (one first grade)
with complement of clerks and vehicles as necessary.

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(d) The function of this detachment will be:

(i) To control and co-ordinate the activities of the AFLRS representatives in sub-para (a) above.

(ii) To keep HQ No. 2 District informed of all local resources revealed in N.W.ITALY, and of the policies and directions of the AFLR (ITALIAN) Board in connection therewith.

(iii) To report all information received by them to AFLRS.

(iv) To implement in liaison with HQ No. 2 District the directions of AFLRS regarding local resources in N.W.ITALY.

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(iii) To report [illegible]

(iv) To implement in liaison with HQ No. 2 District the directions of AFLRS regarding local resources in N.W.ITALY.

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(w)

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Declassified E.O. 12356 Section 3.3/NND No. 785017

4026

(26)

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

GDM/emg

ES/ 1.00

12 April 1945

APR 14 REC'D

MEMORANDUM:

TO : Executive Commissioner

1. It is requested that conferences be arranged at the earliest practicable moment as follows:

a. A conference between the Commanding Generals, IV Corps, No. 2 District, and such members of their staffs as they may deem desirable, and members of the Economic Section, AC. Regional Commissioners concerned should also attend this conference. The Economic Section representatives will comprise the Vice-President, two or three assistants to the Vice-President and the Directors of all Sub-Commissions. This conference is for the purpose of discussing the IV Corps plan for the occupation of Northwest Italy.

b. A similar conference as that indicated in a above between the Commanding Generals, 15 Army Group, 5 Army, 8 Army and District No. 1, and such members of their staffs as they may indicate. Regional Commissioners concerned should also attend this conference. This conference is for the purpose of discussing the plan for the occupation of Northeast Italy.

A. G. ANTOLINI
Acting Vice-President
Economic Section

3371

INFO copy filed — file SOMFEC N.E. Staff

See M. 2P28

P/A.

Declassified E.O. 12356 Section 3.3/NND No. 785017

(24)

CONFIDENTIAL

Ref: 4006/39/sc.

Vol. 451

12 April 1945.

Subject: Local Resources - North West Italy.

To: V.F.,
Economic Section.

(23)

1. The attached letter from Allied Force Local Resources Section, AFHQ, reference LRS/604 of 12 April is forwarded to you for your immediate consideration of the suggestion contained in para.4 thereof.

2. Please treat this as urgent.

Chief Staff Officer,
to Executive Commissioner.

NOTED

BO 12/4

see Folio 35

3579

see M. 25

Declassified E.O. 12356 Section 3.3/NND No. 785017

1026

~~SECRET~~ CONFIDENTIAL

(73)

ALLIED FORCE LOCAL RESOURCES SECTION
AFHQ

LRS/601

Postal Address:
AFLRS,
ROME AREA ALLIED COMMAND, CMF.

Telephone: ROME 66276.

SUBJECT: Exploitation of Local Resources in North West ITALY.

TO: HQ AC.
(For the attention of Colonel N. E. FISKE)

12. Apr 45. APR 12 1945

1. This Section has been instructed by the CAO, AFHQ to prepare a plan in conjunction with HQ No. 2 District and in accordance with AFHQ letter AG 323/061 GDS-O dated 25 Jan 45 whereby local resources in North West ITALY will be ascertained and utilised in full on the occupation of the Allied Armed Forces.

2. It is appreciated by this Section that the immediate responsibility for ascertaining and reporting availability of factories, materials etc is in the first instance the duty of AMG Officers with Armies and thereafter the duty of Civil Affairs Officers under Allied Commission.

3. The importance of early and accurate information on local resources reaching this Section cannot be over emphasised and so long as the policy is that the maximum benefit must accrue to the Allied Armed Forces and Allied Commission from local resources, the closest liaison between this Section and the Allied Commission is essential.

4. It is suggested, and this is entirely exploratory, that in view of the many other duties which AMG Officers and AC Officers will have to perform upon the occupation of North West ITALY, some Officers from this Section could, to the benefit of all, carry out liaison duties in the larger industrial towns viz., MILAN, TURIN and GENOA. The duty of these Officers would be to co-operate with your Officers to assist in the compilation and reporting of information, and generally to liaise.

Before including the above suggestion in the plan to be submitted to higher authority, this Section would much appreciate your views on it. This Section does not wish to submit a recommendation to higher authority which is basically unacceptable to you.

3369

5. The contents of this letter are put to you because it is desired to co-operate to the fullest extent, with your views.

1. This Section has been instructed by the CAO, AFHQ to prepare a plan in conjunction with HQ No. 2 District and in accordance with AFHQ letter AG 323/061 GDS-O dated 25 Jan 45 whereby local resources in North West ITALY will be ascertained and utilised in full on the occupation of the Allied Armed Forces.

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Before including the above suggestion in the plan to be submitted to higher authority, this Section would much appreciate your views on it. This Section does not wish to submit a recommendation to higher authority which is basically unacceptable to you.

3369

5. The contents of this letter are put to you because it is desired to co-operate to the fullest extent.

W. B. S. Sheldon

W. B. S. Sheldon, Colonel,
Chief of Section (Br),
A.F.L.R.S.

WBSS/cwa

see 244 Tab 35

(Mrs Rivers)

Declassified E.O. 12356 Section 3.3/NND No. 785017

Declassified E.O. 12356 Section 3.3/NND No. 785017

(22)

4026.

HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

GDM/omg

Ext. 271

2 April 1945

APR 5 1945

YS/101

SUBJECT: IV Corps Northwest Italy Plan

TO : Acting Vice President

1. In a conversation this date between Executive Commissioner's Office (Col. Fiske) and the Economic Section (Col. Murphey), the IV Corps Northwest Italy Plan was discussed in general and the following was substantially agreed to:

(a) The time has arrived for coordinated planning among all higher headquarters, viz: AFHQ, 15th Army Group, District No. 2, IV Corps and AC.

(b) As soon as practicable the Executive Commissioner's Office will arrange a joint conference to be attended by representatives of all higher headquarters. The conference will likely be held at Lucca.

(c) No further action or planning will be pursued by the Economic Section until such conference as that referred to in (b) above has been held.

G. D. MURPHEY
Colonel, QMC

cc to
Executive Commissioner - Col. Fiske

3368

Col. FISKE

503
4026
G.S. 9823
(A)

~~TOP SECRET.~~

CONFIDENTIAL

Office of Flag Officer,
Northern Area,
Mediterranean.

At NAPLES. 6th February, 1945.

No. FONAM.131-15.

FEB 9 1945

CIVIL SUPPLIES TO LIGURIA.

I have been visited by Colonel Feasey and Major James, the former Regional Commissioner Designate for Liguria and the latter his Chief Transport Officer. They visited me to discuss food distribution in Liguria and have made it clear that the Political aspect of a quick distribution of food is considered most important and that the sending of supplies by sea to Savona, and Imperia will enormously facilitate the distribution in large areas which may otherwise take a considerable time due to difficult and damaged road and rail communications, lack of transport and distances.

2. I am impressed by their arguments and consider that great attention is required on our part to the Political aspect.

3. Our present policy is to direct all our resources on to Genoa but it may well be that greater aid to the large number will be achieved by limited development of smaller ports.

4. The Regional Commissioner is in touch with the Patriot Forces through liaison officers actually with them and is making all possible arrangements to organise labour in those parts where supplies will be landed, so that if they can be dilivered quickly they can be distributed quickly under the supervision of Allied Military Government officers.

5. The extent to which assistance can be given will depend on the availability of minesweepers, salvage and the necessary bottoms to carry the supplies. My staff are actively appreciating requirements and further reports will follow.

6. The intention of this letter is therefore to request that the priorities as affecting the Political issue may be examined with a view to possible modification of the existing plan and the allocation of means to carry it out.

Declassified E.O. 12356 Section 3.3/NND No. 785017

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5. The extent to which assistance can be given will depend on the availability of minesweepers, salvage and the necessary bottoms to carry the supplies. My staff are actively appreciating requirements and further reports will follow.

6. The intention of this letter is therefore to request that the priorities as affecting the Political issue may be examined with a view to possible modification of the existing plan and the allocation of means to carry it out.

7. In view of the known shortage of manpower and the undesirability of increasing our future commitments in Italy if it can be avoided, it is suggested that Italian Naval parties for some of the minor ports in the Gulf of Genoa 330/ might be formed. The formation of such parties for other ports was suggested in the Flag Officer Liaison Italy (Romes) letter No.L.368/2 dated 9th November, 1944. It is realised that the majority, if not all, the equipment for these parties would have to be provided from British and American sources.

AC DNT
Ctl.
ECON SEC

REAR ADMIRAL.

See M. 20721

Declassified E.O. 12356 Section 3.3/NND No. 785017

Declassified E.O. 12356 Section 3.3/NND No. 785017

(18)

CIVIL SUPPLIES TO LIGURIA.
(Flag Officer Northern Area Mediterranean letter No. FONAM. 131-15 dated 6th February, 1945.)

TO:-
THE NAVAL COMMANDER IN CHIEF, MEDITERRANEAN. (3 Copies)
(Copies for information to:-

Headquarters Allied Commission. (2)
Regional Commissioner, Liguria. (2)
Flag Officer Taranto Adriatic, Liaison Italy. (2)
Flag Officer Liaison Italy (ROME) (2)
Naval Liaison Officer, 15th Army Group. (2)
Naval Officer in Charge "Party Jig" (2)
Naval Officer in Charge Leghorn (2)

ENCLOSURES.
Minutes of a meeting held at Navy House at 0930 on Saturday 3rd February 1945. Subject to discuss the supply of food and Civil supplies for the Civil Population in North Western Italy; with Appendix A thereto.

TO:-
THE NAVAL COMMANDER IN CHIEF, MEDITERRANEAN. (3 Copies)
(Copies for information to:-

Headquarters Allied Commission. (2)
Regional Commissioner, Liguria (2)
Flag Officer Taranto Adriatic, Liaison Italy. (2)
Flag Officer Liaison Italy (ROME) (2)
Naval Liaison Officer, 15th Army Group. (2)
Naval Officer in Charge "Party Jig" (2)
Naval Officer in Charge Leghorn (2)

ENCLOSURES.
Minutes of a meeting held at Navy House at 0930 on Saturday 3rd February 1945. Subject to discuss the supply of food and Civil supplies for the Civil Population in North Western Italy; with Appendix A thereto.

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Declassified E.O. 12356 Section 3.3/NND No. 785017

(17)

~~TOP SECRET~~ CONFIDENTIAL

MEETING HELD AT NAVY HOUSE AT 0930 ON WEDNESDAY 3rd FEBRUARY, 1945.

SUBJECT TO DISCUSS THE SUPPLY OF FOOD AND CIVIL SUPPLIES FOR THE CIVIL POPULATION IN NORTH WESTERN ITALY.

PRESENT. :- Capt. in D. Hemmersley - Johnston, R.N., Chief of Staff to Flag Officer, Northern Area, Mediterranean. Chairman.
Colonel Feasey, Allied Military Government.
Major James, Allied Military Government.
Mr. Ian Campbell, Ministry of War Transport.
Commander Brookes R.N. Naval Officer in Charge, Party Jig.
Commander Sharpe, R.N.R., Naval Control Service Officer to Flag Officer, Northern Area, Mediterranean.
Commander Flint, R.N.R., Sea Transport Officer to Naval Officer in Charge, Party Jig.
Lieutenant Commander Combe, R.N., Chief Staff Officer to Naval Officer in Charge, Party Jig.
Lieutenant Commander Bowstead, R.N., A.S.O. to Naval Officer in Charge, Party Jig.
Lieutenant Commander Cobzew, R.N.V.R., S.O.(P) to Flag Officer, Northern Area, Mediterranean.
Lieutenant Commander Hill, R.N.R., S.M./S.O. to Flag Officer, Northern Area, Mediterranean.
Lieutenant Page-Wood, R.N.V.R., S.O.(P) to Flag Officer, Northern Area, Mediterranean.

---

1 PROBLEM.

Upon the withdrawal of the Germans from the area under consideration, the population will have to be fed by imports amounting to a total of 6,000 tons per day. At present these supplies are all earmarked to be landed at Genoa, but from there the problem of distribution will become acute on account of the certainty that all lateral roads and railways will be impassable. If it is impossible to get supplies to the civil population along the coast and inland, civil disturbance and unrest will occur. It therefore appears necessary to make preparations to land part of the 6,000 tons at other points to the East and West of Genoa.

The Allied Military Government wish to land up to 100 tons per day at each of Spezia, Savona and Imperia. This proposition was examined from the Naval point of view.

Declassified E.O. 12356 Section 3.3/NND No. 785017

Commander Brookes R.N. Naval Officer in Charge, Party Jig.
Commander Sharpe, R.N.R., Naval Control Service Officer to Flag Officer, Northern Area, Mediterranean.
Commander Flint, R.N.R., Sea Transport Officer to Naval Officer in Charge, Party Jig.
Lieutenant Commander Combe, R.N., Chief Staff Officer to Naval Officer in Charge, Party Jig.
Lieutenant Commander Bowstead, R.N., A.P.O. to Naval Officer in Charge, Party Jig.
Lieutenant Commander Cadzow, R.N.V.R., S.O.(P) to Flag Officer, Northern Area, Mediterranean.
Lieutenant Commander Hill, R.N.R., S.M./S.O. to Flag Officer, Northern Area, Mediterranean.
Lieutenant Page-Wood, R.N.V.R., S.O.(Q) to Flag Officer, Northern Area, Mediterranean.

---

1. FOREWARD.

Upon the withdrawal of the Germans from the area under consideration, the population will have to be fed by imports amounting to a total of 6,000 tons per day. At present those supplies are all earmarked to be landed at Genoa, but from there the problem of distribution will become acute on account of the certainty that all lateral roads and railways will be impassable. If it is impossible to get supplies to the civil population along the coast and inland, civil disturbance and unrest will occur. It therefore appears necessary to make preparations to land part of the 6,000 tons at other points to the East and West of Genoa.

The Allied Military Government wish to land up to 100 tons per day at each of Spezia, Savona and Imperia. This proposition was examined from the Naval point of view.

2. NAVAL SITUATION.

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At present plans are prepared for the opening of Genoa as quickly as possible, and the necessary sweeping, supply and port party are earmarked for this operation. A small reconnaissance party is prepared to enter Spezia by land and the minesweeping forces necessary to open the channel into the port are also ready, but there are no salvage party or equipment or constructional companies earmarked for this port, which it is intended to survey from the point of view of rehabilitation for the repair and docking of Naval vessels only. No other parties, equipment or minesweeping forces are earmarked for any other port in the Gulf of Genoa.

3. NAVAL CONSIDERATION.

If it was necessary to open all four ports of Genoa, Spezia, Savona and Imperia at one and the same time, a very large increase in the number

of minesweeping.....

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of minesweeping vessels, their attendant supply and maintenance ships, a large increase in the quantity of salvage, mine disposal personnel and equipment and two more port parties would be required. Any minesweeping force bent on sweeping the entrance to Imperia would have to have its own train. Minesweeping forces employed on opening up Savona could, however, use the train supplying the forces sweeping into Genoa. Minesweeping forces sweeping into Spezia will be based at Leghorn and no additional supply vessels are required for this commitment.

In order to reduce the Naval commitment to the operations which are most likely to be attainable, the Allied Military Government representative agreed that it was possible to supply Spezia by land, which would make the necessity for opening this port a matter of lower priority from the point of view of supplying food. Further, he agreed that the opening of Savona for the supply of food was more important than the opening of Imperia.

4. OTHER CONSIDERATIONS.

The problem is complicated by the order in which the ports may fall into our hands. There appear to be three main possibilities:-

1. That the Germans evacuate the whole of Italy, lock, stock and barrel.
2. That they evacuate the whole of Italy except Genoa, which they make a fortress.
3. That they continue to fight and we occupy the ports by degrees as they are captured.

In the event of (1), the opening of Genoa remains the first priority and it is recommended that the opening of Savona becomes second priority instead of Spezia. In the event of (2), it is recommended that Savona takes first priority and Spezia second priority. In the event of (3), priorities will have to be decided at the time in the order in which the ports were captured. Under these circumstances, Party "JIG" will be earmarked to the port of first priority, and Party "ITRU" to that of second priority.

5. SUPPLIES.

The Civil supplies for the Liguria Region for the first month are already in Leghorn, and it is considered that this port should be the main source of supply until ships loaded with food for civil relief

In order to reduce the Naval commitment to the operations which are most likely to be attainable, the Allied Military Government representative agreed that it was possible to supply Spezia by land, which would make the necessity for opening this port a matter of lower priority from the point of view of supplying food. Further, he agreed that the opening of Savona for the supply of food was more important than the opening of Imperia.

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5. SUPPLIES.

The Civil supplies for the Liguria Region for the first month are already in Leghorn, and it is considered that this port should be the main source of supply until ships loaded with food for civil relief can be taken straight into Genoa. The supplies of Savona must be taken in by Coaster owing to the absence of Schooners on this coast and the difficulties envisaged in obtaining Schooners from other parts of Italy to work on this Coast. In addition, the supplies of 100 tons per day for Imperia must be shipped into Savona until such time as the former port is open, making a total of 200 tons per day at Savona. It is recommended that these supplies for Savona and Imperia should continue to be transhipped into the Coasters from the ocean-going vessels at Leghorn and for this traffic it is estimated 4 Coasters of 1200 to 1500 tons capacity each will be required. The supplies for Spezia will be taken by road from Leghorn. Consideration was given to the possibility of supplying places to the west of Savona from Toulon, but in the opinion of the Allied Military Government representative this would be both impossible on account of demolition of lateral roads and bridges and undesireble for political reasons concerning the export of food from France to Italy.

6. In conclusion it must be emphasised that the plan envisaged in the foregoing, which is drawn up in very broad outline, in no way meets the possible Allied Military Government requirements under the worst set

/ of circumstances.....

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of circumstances, but has been drawn up with a view to what is reasonably attainable under existing circumstances.

If it considered that the rapid delivery of vital food and other supplies to the population must be planned on a bigger scale, then a very considerable increase in the allotation of minesweepers, their supporting craft for supplies of fuel, water, food etc, of salvage parties and equipment of mine clearance and bomb disposal parties, of engineers and port parties must be made.

7. The Minesweeping forces and their auxiliary craft required to carry out the plan as envisaged in this plan are set out in appendix A.

J. Hemmingway Johnston

CAPTAIN, ROYAL NAVY.

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then a very considerable increase in the allocation of minesweepers, their supporting craft for supplies of fuel, water, food etc. of salvage parties and equipment of mine clearance and bomb disposal parties, of engineers and port parties must be made.

7. The Minesweeping forces and their auxiliary craft required to carry out the plan as envisaged in this plan are set out in Appendix A.

J. Hennessy Captain

CAPTAIN, ROYAL NAVY.

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APPENDIX "A".

MINESWEEPING FORCES AND AUXILIARY CRAFT REQUIRED.

1. Minesweeping forces to clear the approaches to the ports of Genoa and Savona simultaneously are as follows :-

(a) GENOA.

1 Flotilla Fleet Minesweepers	Fuel Oil	--endurance estimate		21 days.
6 Y.M.S.	Diesel Oil	do	do	14 days.
6 M.M.S.	Diesel Oil	do	do	21 days.
6 M/S M.Ls.	100 Octane	do	do	3 days.
3 L.C.V. (P).				

(b) SAVONA.

6 Y.M.S.	Diesel Oil	do	do	14 days.
6 M.M.S.	Diesel Oil	do	do	21 days.
3 L.C.V. (P).				
6 M/S M.Ls	100 Octane	do	do	3 days.

(c) GENOA AND SAVONA COMBINED.

4 Denlayers (Trawlers)	Coal	do	do	9 days.
4 Trawlers (patrols general use)	Coal	do	do	9 days.

2. Auxiliary craft necessary for the support of the combined Minesweeping forces in paragraph 1.

1 L.S.T. with 6 davits and 6 L.C.V.(P) fitted for inshore minesweeping
5 L.C.I. (L).
4 L.C.T.
"TARVISIO" (fuel and diesel oil).
"EMPIRE HARP" and one other water boat.
1 Collier.
"WELSH COAST" (100 Octane).

3. Vessels required for port opening.

2 Bar vessels.
4 Salvage Vessels.

MAINTENANCE AND SUPPLY.

4. D Day is the day that minesweeping

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(c) [illegible]

6 Y.M.S.	Diesel Oil	do	do	14 days.
6 H.M.S.	Diesel Oil	do	do	21 days.
3 L.C.V. (P).	100 Octane	do	do	3 days.
6 M/S M.L.				

(d) CANOE AND SAPPER COMBINED.

4 Denlayers (Trawlers)	Coal	do	do	9 days.
4 Treslops (petrols general use)	Coal	do	do	9 days.

2. Auxiliary craft necessary for the support of the combined minesweeping forces in paragraph 1.

1 L.S.T. with 6 davits and 6 L.C.V.(P) fitted for inshore minesweeping
5 L.C.I. (L).
4 L.C.T.
"DARVISEO" (fuel and diesel oil).
"EMPIRE HARP" and one other water boat.
1 Collier.
"WELSH COAST" (100 Octane).

3. Vessels required for port opening.

2 Bar vessels.
4 Salvage Vessels.

MAINTENANCE AND SUPPLY.

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4. D Day is the day that minesweeping begins.

5. Dates are given relative to D Day, and are based on the assumption that it will be possible to establish a darned channel and an anchorage in 7 days, and that after that minesweeping in the approaches and the ports themselves will proceed for about two months with no maintenance assistance from the shore.

PROGRAMME AND REQUIREMENTS.

6. D + 2.

1 L.C.I. (L) for mother ship to minesweeping forces at Genoa.
1 L.C.I. (L) for mother ship to minesweeping forces at Savona.
"EMPIRE HARP" water boat to minesweeping forces at Genoa.
1 water boat to attend minesweeping forces at Savona.
"WELSH COAST" (100 Octane Tanker) to supply Minesweeping Motor Launches at both ports.
1 L.S.T. with 6 davits and 6 L.C.V. (P) fitted with minesweeping gear for close inshore minesweeping.

/3 L.C.V. (P)...

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3 L.C.V. (P) for Genoa, 3 L.C.V.(P) for Savona, which can be exchanged as necessary.

The L.S.T. will carry Bulldozers and other heavy material for both ports.

7. D + 7

5 L.C.T. for initial lift of stores into Genoa.
1 L.C.T. for initial lift of stores into Savona.
1 Collier for combined forces.
1 Black and Diesel oil tanker for combined forces ("BARVIBOR").
3 L.C.I. (L) to commence Naples - Leghorn - Genoa - Savona store ferry service. These L.C.I. (L) will be required at Naples on L + 5.

DATES OF ALLOCATION.

8. All ships and craft, except the 3 L.C.I. (L) in paragraph 7, will be required at Leghorn 2 days prior to the dates given in paragraphs 6 and 7.

9. The Bar vessels and Salvage vessels will have to be available in Leghorn from D day for calling forward as required.

for both ports.

7. D + 7

5 L.C.T. for initial lift of stores into Genoa.
1 L.C.T. for initial lift of stores into Savona.
1 Collier for combined forces.
1 Black and Diesel oil tanker for combined forces ("SARVISEO").
3 L.C.I. (L) to commence Naples - Leghorn - Genoa - Savona store ferryservice. These L.C.I. (L) will be required at Naples on D + 5.

DATES OF ARRIVAL.

8. All ships and craft, except the 3 L.C.I. (L) in paragraph 7, will be required at Leghorn 2 days prior to the dates given in paragraphs 6 and 7.

9. The Tug vessels and Salvage vessels will have to be available in Leghorn from D day for calling forward as required.

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

1.00/23

21 December 1944

27 DEC 1944

SUBJECT: Declassification - "Outline Plan of Economic Operations in Northwestern Italy."

TO : Distribution list below

1. The document issued by the Economic Section, Hq Allied Commission, under date 30 Nov 44, "Outline Plan of Economic Operations in Northwestern Italy", with transmittal letter, subject as above, dated 9 Dec 44, should be immediately classified, TOP SECRET, by authority G-6, AFHQ (Ref. G-6 014.14-10 of 12 Dec 44).

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2. You will immediately:

a. Number each copy forwarded to you, with the number indicated as assigned to you on the distribution list below.

b. Fill out and forward to this Headquarters the attached acknowledgment form.

L. D. [illegible]
Colonel, FA
Acting Deputy Chief of Staff
Economic Section

Attachment

1 - Acknowledgment Form

See 11 12

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TO : Distribution list below

1. The document issued by the Economic Section, HQ Allied Commission, under date 30 Nov 44, "Outline Plan of Economic Operations in Northwestern Italy", with transmittal letter, subject as above, dated 7 Dec 44, should be immediately classified, TOP SECRET, by authority G-5, AFHQ (Ref. G-5 C14.14-10 of 18 Dec 44).

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L. W. [illegible]
Colonel, FA
Acting Deputy Chief of Staff
Economic Section

Attachment

1 - Acknowledgment Form

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Chief of Staff

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HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

SECRET

7 December 1944

-8 DEC 1944

SUBJECT: Outline Plan of Economic Operations in Northwestern Italy

To: Distribution list below

(1-9)

Attached is a paper setting out present plans for economic activities of AC/ASC in Northwestern Italy when it has been freed from enemy occupation.

H.G. SCOTLAND
Acting Deputy Chief of Staff
Economic Section

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COLLECTIVE SECURITY OPERATIONS

[illegible]

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OUTLINE PLAN OF ECONOMIC OPERATIONS IN NORTHWEST INDIA

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OUTLINE PLAN OF ECONOMIC OPERATIONS IN NORTHWEST ITALY

GENERAL

1. Definition of Area Covered.

For the purposes of this plan Northwest Italy is defined as the four regions of Liguria, Piedmont, Lombardia, and Emilia. This area has a total population of roughly 14,790,000. Included in the area are three of the largest cities in Italy: Genoa, important port with a population of almost a million; Turin, where 75 % of the pre-war Italian automobiles were manufactured, with a population of a million and a quarter; and Milan, largest city and industrial center of Italy, whose population exceeds two and a quarter million.

2. Plan of Outline.

This outline is divided into two principal parts. The first part deals with general matters of organization and function; the second part summarizes the plans of the several Sub-Commissions in the Economic Section with respect to Northwest Italy. It is impossible for the plans of certain Sub-Commissions to be detailed and exact. For example, emergency feeding of the population is planned by the Food Sub-Commission in considerable detail, while it is difficult for the Public Works and Utilities Sub-Commission to state even a priority of operations until preliminary surveys can be made of the state of public utilities in the area.

PART I - ORGANIZATION

3. Experienced teams of officers have been or will soon be assigned by each Sub-Commission to supervise operations in Northwest Italy upon the liberation of part or all of this area. These officers, who will be working in forward areas, will be alerted to move on twenty-four hours' notice into the liberated areas. They will eventually act as area-wise direction of the various economic offices in Regional and Provincial Headquarters. Each officer will handle principally matters pertaining to his area of assignment, but will, of course, work in cooperation with officers of other Sub-Commissions where their work is closely related.

4. In general, these officers will have the following duties in their respective fields:

a) Advise Regional and Provincial Commissioners, and aid them in clarifying and implementing AC policy.

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2. Plan of Outline.

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PART I - ORGANIZATION

3. Experienced teams of officers have been or will soon be assigned by each Sub-Commission to supervise operations in Northwest Italy upon the liberation of part or all of this area. These officers, who will be working in forward areas, will be alerted to move on about "four hours" notice into the liberated area. They will eventually set up the usual function of the various economic offices in Regional and Provincial headquarters. Each officer will handle principally matters pertaining to his major assignment, but will, of course, work in cooperation with officers of other Sub-Commissions where their work is closely related.

4. In general, these officers will have the following duties in their respective fields:

a) Advise Regional and Provincial Commissioners, and aid them in clarifying and implementing AC policy.

b) Aid in the organization and penetration of Italian Government agencies at all levels, aid in achieving proper coordination among the, and between Italian agencies and the Allied Armed Forces.

c) Determine or aid in determining supply requirements and other economic needs and facilitate distribution of available supplies.

d) Work with the Security group in regard to the political fitness of Italian officials for positions having to do with economic affairs.

e) Assist in determining needs and surpluses of restricted materials, and civilian needs for controlled materials. (This information is forwarded to the AC headquarters for action through the Local Resources Board machinery.)

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f) Establish and maintain price ceilings.

g) Make periodic reports, collect pertinent statistical data, inventories, etc., for the use of Headquarters AC.

h) In general, to carry out the two chief military missions of the Economic Section in forward areas, AC, which are: (i) to save shipping and internal transportation by satisfying the contribution from local resources to the Allied forces; (ii) to maintain a tranquil rear for the fighting forces by providing for the indispensable needs of the civilian population.

PART II - SUB-COMMISSION PLANS

FOOD

5. Emergency food rations have been planned as follows:

a) Flour. Ration basis for flour will depend on available stocks, milling conditions, transport, etc. The minimum ration (on which the Table of Requirements in paragraph 6 is based), provides for 160 grams of flour per person per day. This ration will provide 200 grams of bread per person per day. It is hoped that corn and rice may be found in sufficient quantities to add to this basic flour ration, in which case a total grain ration of 300 grams per day may be possible.

Plans call for:

(i) Five days flour ration to every ration card holder.

(ii) Thirty days flour ration for persons in cities over 50,000 population.

(iii) One-half of a month's flour supply to be held in reserve in case damage sustained by mills is extensive.

b) Miscellaneous supplies (except salt and soap) to persons in cities over 50,000 for the first two months.

c) Miscellaneous supplies (except salt and soap) to displaced persons, hospitals, and other selected special classes estimated at one-eighth of the remaining population.

d) Salt for the total population.

of the civilian population.

PART II - SUB-COMMISSION PLANS

FOOD

5. Emergency food rations have been planned as follows:

a) Flour. Ration basis for flour will depend on available stocks, milling conditions, transport, etc. The minimum ration (on which the table of requirements in paragraph 6 is based), provides for 160 grams of flour per person per day. This ration will provide 200 grams of bread per person per day. It is noted that corn and rice may be found in sufficient quantities to add to this basic flour ration, in which case a total grain ration of 300 grams per day may be possible.

This will call for:

(i) Five days flour ration to every ration card holder.

(ii) Thirty days flour ration for persons in cities over 50,000 population.

(iii) One-half of a month's flour supply to be held in reserve in case damage sustained by mills is extensive.

b) Miscellaneous supplies (except salt and soap) to persons in cities over 50,000 for the first two months.

c) Miscellaneous supplies (except salt and soap) to distressed areas, hospitals, and other selected special classes estimated at one-eighth of the remaining population.

d) Salt for the total population.

e) Soap for hospitals, refugees, and other selected special classes, as required by Public Health Sub-Commission.

f) Milk and olive oil or fats for hospitals and sick, estimated at 2% of the total population.

g) Rations for special classes will be the same as ration scales in presently occupied territory. For example, heavy workers, under the proposed rations, would be entitled to 12½ % more than the basic flour ration.

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5. Table of food requirements for the first and second months. This assumes a rated population of 14,759,000 (3,776,000 in cities over 50,000; balance of 10,983,000).

Food	Grams/head/day	Grams/head/mo.	Total 1st 30 da. M Tons	Total 2nd 30 da. M Tons
Flour	160	4800	70,555	15,900
Dried Vegetables	13	400	2,032	2,032
Meat & Vegetables	13	400	2,032	2,032
Salt	10	300	1,509	1,509
Sugar	8.5	250	1,324	1,324
Preserved milk	50 } 5% of	—	666	666
Olive oil or fats	10 } 500.	--	133	133

7. To meet above requirements, the following arrangements have been made:

a) All foods required for the first 30 days were scheduled to be in AC forward warehouses by 30 November 1944.

b) The second month's supply of dried vegetables, meat and vegetables, milk and soap was scheduled to be in forward warehouses by 30 November 1944. The second month's supply of flour is to be in forward warehouses by 15 December 1944.

c) It is presumed that planned shipments of oils, sugar, fats, soap and grain will have arrived to take care of further needs.

8. The following program has been adopted to reduce to a minimum the necessary demands on import shipping:

a) These items will be blocked: sugar, wheat, rice, corn, olive oil, and certain milk products (those which can be kept for a period of time, such as Parmesan cheese).

b) All supplies of rationed foodstuffs are to be blocked immediately for further allocation and distribution.

c) Local grain is to be milled at the first opportunity.

d) Stockpiles will be set up as soon as possible in Genova.

Adequate dumps will be set up in the provincial capitals.

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Flour	160	1800	30,595	15,300
Dried Vegetables	13	400	2,032	2,032
Meat & Vegetables	13	400	2,032	2,032
Salt	20	300	1,599	1,599
Sugar	2.3	250	1,324	1,324
Powdered milk	30) 30 of	--	665	665
Olive oil or fats	10) 30%.	--	133	133

7. To meet above requirements, the following arrangements have been made:

a) All foods required for the first 30 days were scheduled to be in AC forward warehouses by 30 November 1944.

b) The second month's supply of dried vegetables, meat and vegetables, milk and soap was scheduled to be in forward warehouses by 30 November 1944. The second month's supply of flour is to be in forward warehouses by 1 December 1944.

c) It is presumed that planned shipments of milk, sugar, fats, soap and grain will have arrived to take care of further needs.

8. The following program has been adopted to reduce to a minimum the necessary demands on import shipping:

a) These items will be blocked: sugar, wheat, rice, corn, olive oil, and certain milk products (those which can be kept for a period of time, such as Parmesan cheese).

b) All supplies of rationed foodstuffs are to be blocked immediately for further allocation and distribution.

c) Local grain is to be utilized at the first opportunity.

d) Stockpiles will be set up as soon as possible in Geneva.

Adequate depots will be set up at the provincial capitals.

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9. Other planned arrangements:

a) The ultimate meal which is fed by the Army to civilian laborers working for the Allies will be purchased from AC stocks only on the authority of the Food Sub-Commission and at the consumption rate of one meal per day, as established in AFHQ Law see the letter G/AG of 6 February 1944.

b) The reporting program will be that agreed upon in previously-occupied territory by AC Headquarters and the Federazione nel Governi Alleati: that is, (a) 10 day warehouse stock report on all supplies, (b) monthly reports on surpluses and deficiencies.

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AGRICULTURE

10. General.

The duty of agricultural officers is that of reorganizing and supporting the Italian agricultural administration, and not one of "first aid." Their duty is not to supplant the functions of Italian agricultural agencies or to carry on actual agricultural operations.

11. Each Regional Agricultural Officer will provide each Provincial Commissioner with the following agricultural information for the use of the Provincial AC staff. Most of these materials have already been prepared and made available to Regional Agricultural Officers. Where the information is dependent on surveys to be made within the area, the surveys will be made under the direction of Regional Agricultural Officers.

Unit 1 Italian personnel list. Key officials in Provincial offices.

Unit 2 Information concerning Italian agricultural agency organization and functions.

Unit 3 "Reactivation of Italian Agriculture", a green booklet with distribution list.

Unit 4 General Order 26, covering the seeding of wheat and barley, which has been and will be issued in forward areas.

Unit 5 Rainfall Data, including area maps, data on soils, power and fuel requirements.

Unit 6 General crop and livestock data.

Unit 7 Farm machinery numbers and estimate of 1945 fuel requirements.

Unit 8 Estimate of required routine agricultural supplies (other than fuel) for 1945.

Unit 9 Olive oil decree and other decrees applicable to the area.

Unit 10 List of crops to be assessed and prices at which to be assessed.

Unit 11 Provide information on Questionnaire in Appendix B, p. 17, in "Reactivation of Italian Agriculture."

Unit 12 1944-45 Production Program, with recommended lines of action to implement same.

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[illegible] available to Regional Agricultural [illegible]. [illegible] dependent on surveys to be made within the area, the surveys will be made under the direction of Regional Agricultural officers.

Unit 1 Italian personnel list. Key officials in Provincial offices.

Unit 2 Information concerning Italian agricultural agency organization and functions.

Unit 3 "Reactivation of Italian Agriculture", a green booklet with distribution list.

Unit 4 General Order 26, covering the seeding of wheat and barley, which has been and will be issued in forward areas.

Unit 5 Beneficiaries Data, including area seed, date do seeds, power and fuel requirements.

Unit 6 General crop and livestock data.

Unit 7 Farm machinery numbers and estimate of 1945 fuel requirements.

Unit 8 Estimate of required certain agricultural supplies (other than seed) for 1945.

Unit 9 Olive oil decree and other decrees applicable to the area.

Unit 10 List of crops to be sowed and prices at which to be purchased.

Unit 11 Provide information on questionnaire in Appendix B, p. 17, in "Reactivation of Italian Agriculture."

Unit 12 1944-45 Production Program, with recommended lines of action to implement same.

12. The following specific duties connected with agriculture will be performed by agricultural officers:

a) Blocking of warehouses for storing seed for agricultural supplies.

b) Blocking of office and transportation equipment for important agricultural agencies and groups.

c) Stocking of all fertilizer and machinery stocks for re-allocation by Headquarters, AC.

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d) In connection with officers of Industry Sub-Commission, seeing to the blocking of factories which produce machinery and critical agricultural supplies.

e) Assisting in determinations as to movement of agricultural supplies.

f) In connection with Public Works and Utilities officers, determining bonifiche and irrigation projects to be repaired immediately.

g) Aiding in completing the censusing of communities.

h) In conjunction with the Prefects and Ispettori Agrari, organizing Provincial and communal agricultural committees as soon as possible.

13. Fisheries. Agricultural officers will:

a) Put the Capitains of the Ports in touch with the Provincial Commissioner. (The port captains, who have always had jurisdiction over fishing, know the operators and their equipment. There is a Capitain of the Port or a Delegazione di Spiaggia at every fishing village.)

b) Apply the procedure on Fisheries outlined on pages 29 to 30 in "Reconversion of Italian Agriculture."

c) Get answers, through the Provincial Commissioners to the questions on the following forms:

(i) Questionario per i Pescatori (Forma A) AGR/511.

(ii) Questionario per gli Stabilimenti Conservieri (Forma B) AGR/504.

(iii) Questionario per i Centiari e per le Ditte Costruttrici di Attrezzi per la Pesca (Forma C) AGR/512.

d) Make recommendations for needs based on answers to these questionnaires.

14. Forestry. Agricultural officers will:

a) Obtain a list of all members of Royal Forest Corps on duty and submit it to AC Headquarters with recommendations for any changes.

b) Appoint acting head for Roy. Forest Corps Group Commands (Provincial)

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b) In conjunction with the Prefects and Ispettori Agrari, organizing Provincial and communal agricultural committees as soon as possible.

13. Fisheries. Agricultural officers will:

a) Put the Captains of the Ports in touch with the Provincial Commissioner. (The port captains, who have always had jurisdiction over fishing, know the operators and their equipment. There is a Captain of the Ports or a Delegazione di Spiaggia at every fishing village.)

b) Apply the procedure on Fisheries outlined on pages 20 to 30 in "Reorientation of Italian Agriculture."

c) Get answers, through the Provincial Commissioners to the questions on the following forms:

(i) Questionario per i Pescatori (Form A) AGS/511.

(ii) Questionario per Gli Stabilimenti Conservieri (Form B) AGS/504.

(iii) Questionario per i Cantieri e per le Ditte Costruttrici di Attrezzi per la Pesca (Form C) AGS/512.

d) Make recommendations for needs based on answers to these questionnaires.

14. Forestry. Agricultural officers will:

a) Obtain a list of all members of Royal Forest Corps on duty and submit it to AC Headquarters with recommendations for any changes.

b) Appoint acting Head for Royal Forest Corps Group Commands (Provincial) and Legion Commands.

c) Instruct Provincial (Group) Commands of Royal Forest Corps to:

(i) Obtain estimates on amounts of charcoal and fuelwood on hand.

(ii) Prepare a six-month "Production and Distribution Plan for Fuelwood and Charcoal."

d) Obtain from Army Wood Procurement Officer monthly requirements for fuelwood and charcoal and submit figures to Provincial Royal Forest Corps for inclusion in six months "Plan for Production."

e) Instruct Provincial Royal Forest Corps to:

(i) Obtain information requested in Newsill questionnaire contained in Unit II.

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(ii) Take steps necessary to insure immediate production of fuelwood and charcoal.

(iii) Submit to Provincial Agricultural Officer their recommendations for proper functioning of the Corps and for increasing production of fuelwood and charcoal.

f) Call a Regional meeting of Prefects, members of Royal Forest Corps, representatives of Sezioni and Consorzi Agrari for the purpose of adopting a uniform price policy and removing obstacles placed by communes, private owners, etc., against timber cutting for fuel.

Staffing

15. No specialist staffs for AC Headquarters are contemplated. Civilian specialists will be employed.

16. Commerce officers will:

a) Receive and distribute among the Provinces consumers goods, such as textiles, clothing, shoes, etc., including goods produced locally.

b) Assist Provincial Supply Officers in the making of inventories and in blocking of non-food materials which are controlled by the Allied Force Local Resources Board or by the Italian Government.

c) Keep essential goods and materials in short supply under supervision by inventories, freezing or blocking, and release, thereby preventing hoarding, speculation and clandestine sales, and insuring equitable distribution, especially to the needy. A list is attached showing the commodities on (i) the existing controlled list, (ii) the restricted list, and (iii) the list of materials under the control of the Italian Government only.

d) Receive demands for controlled materials from Provincial Supply Officers. Collate and screen them as to specifications, quantities, and urgency. Transmit, in turn, to the Sub-Commission for presentation to appropriate committees of the Allied Force Local Resources Board.

e) Develop general or sales outlets for goods that may get into black market operations.

f) Assist Intendencies supply distributors of matches, tobacco, etc., in

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[illegible] for the purpose of adopting a uniform price policy and removing obstacles placed by communes, private owners, etc., against timber cutting for fuel.

COMMERCE

15. No specialist staffs from AC headquarters are contemplated. Civilian specialists will be employed.

16. Commerce officers will:

a) Receive and distribute among the Provinces consumers goods, such as textiles, clothing, shoes, etc., including goods produced locally.

b) Assist Provincial Supply Officers in the making of inventories and in blocking of non-food materials which are controlled by the Allied Force Local Resources Board or by the Italian Government.

c) Keep essential goods and materials in short supply under supervision by inventories, freezing or blocking, and release, thereby preventing hoarding, speculation and clandestine sales, and insuring equitable distribution, especially to the needy. A list is attached showing the commodities on (i) the existing controlled list, (ii) the restricted list, and (iii) the list of materials under the control of the Italian Government only.

d) Receive demands for controlled materials from Provincial Supply Officers. Collate and screen them as to specifications, quantities, and urgency. Transmit them to the Sub-Commission for presentation to appropriate committees of the Allied Force Local Resource Board.

e) Develop consumer or sales outlets for goods that may get into black market operations.

f) Assist state monopoly distributors of matches, tobacco, etc., in their operations.

g) Allocate raw materials and restrict production of non-essential goods within the limits of power, fuel, etc.

h) Facilitate procurement, movement, and handling of goods for export, as directed by Foreign Trade Section, Commerce Sub-Commission.

17. Commerce officers will as soon as possible work out a Planning Program for their Region or Area, along the following lines:

a) Confer with Provincial officers, Uffici Provinciale del Commercio ed Industrie and the Ufficio del Commercio, Industria, ed Agricoltura, to determine needs, resources, and means of distribution of materials.

b) Determine net requirements of consumers goods, non-subsistence materials, to supply minimum essential needs.

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a) Determine local availability in terms of stocks, production, current and projected for six months.

d) Determine minimum import requirements from other parts of Italy and from abroad.

INDUSTRY

18. Emergency.

a) The emergency phase of the industrial program is dictated by the immediate civil needs for food, clothing and shelter. The following industries are of first priority:

Food processing
Textile industry
Building materials (brick, timber, asbestos, tiles, glass, cement, etc.)

Viz. the exception of brick and cement, the fuel and power requirements of these industries are relatively small, and they have the advantage of fairly high labor requirements.

b) Power production in Northwest Italy is 90% hydroelectric. Many industries will be heavily dependent on the resumption of power production. It will be essential to plan for the reactivation of plants which are furnish materials necessary to aid the Public Works and Utilities officers in their task of repairing the damage wrought by German demolitions.

c) The steel industries are of first importance to transportation, repair work and construction and are therefore of high priority, but are dependent on power and import coal. Consequently, their reactivation must be slow. A policy has been established to foster the production of spare parts and assemblies necessary for repair to existing machinery and transport, rather than the manufacture of complete new units.

19. An Industrial Coordination Committee has been set up under the AFLMG, primarily to control the utilization of industrial units in the North of Italy. Its formation is calculated to achieve a horizontally allocation of [illegible], their output and the materials they require. The procedure for industrial coordination in forward areas will be directed as soon as it has been adopted by the Committee.

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The initial phase of the industrial program is dictated by the immediate civil needs for food, clothing and shelter. The following industries are of first priority:

Food processing
Textile industry
Building materials (brick, timber, asbestos, tiles, glass, cement, etc.)

With the exception of brick and cement, the fuel and power requirements of these industries are relatively small, and they have the advantage of fairly high labor requirements.

b) Power production in Northwest Italy is 90% hydroelectric. Work in most industries will be heavily dependent on the restoration of power production. It will be essential to plan for the reactivation of plants which are furnish materials necessary to aid the Public Works and Utilities officers in their task of repairing the damage wrought by German demolitions.

c) The steel industries are of first importance to transportation, repair work and construction and are therefore of high priority, but are dependent on power and import coal. Consequently, their reactivation must be slow. A policy has been established to foster the production of spare parts and assembling necessary for repair to existing machinery and transport, rather than the manufacture of complete new units.

19. An Industrial Coordination Committee has been set up under the AFHQ, primarily to control the utilization of industrial plants in the North of Italy. Its formation is calculated to achieve a more orderly allocation of 3552 their output and of materials they require. The procedure for industrial coordination in Tuscany areas will be that used as soon as it has been adopted by the Committee.

LABOR

20. Labor officers will take over existing civilian labor employment offices and establish new ones as required to supply labor for:

a) The Armed Forces

b) Local clean-up work

c) Private industry

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21. Regional and Provincial Labor offices will be established and arrangements made for appointment of civilian directors. The function of these offices will be to adjust wages, protest claims over wages and working conditions, maintain periodic inspection of working conditions in plants, set up (or serve as) employment offices, collect statistics on cost of living, etc.

22. Labor Officers will:

a) Coordinate work of all employment offices whether originally established under the Italian Government (National Committee of Liberation), U. S. Army Units, or British Army Units, including the Deputy Assistant Director of Labor, Civil Labor Officers.

b) Publish General Order No. 28 - Labor Relations--together with pertinent rules and regulations. A list of rules and regulations covering General Order No. 28 has been prepared for circulation.

c) Establish current Armed Forces rates for civil employees of the Allied Forces, as promulgated by AFHQ.

d) Publish all appropriate wage increase orders.

(i) Public wages (state and para-statal employees) are to be governed by current wage increase orders.

(ii) Private industrial wages are to be determined by collective consent or by any contemporary increase order agreed upon with the Italian Government.

TRANSPORTATION

23. Railways.

a) Three RO officers are to be assigned to the regions of Piemonte, Liguria, and Lombardia. The group will be delegated to supervise the Italian State Railway Divisions of Milano, Genova, and Torino, together with the private Railway Companies. Until the situation is thoroughly clarified, the group will work, as a team, under the command of the railway officer stationed at Milan. It is contemplated that initial duties will be concerned primarily with inventories of stocks, surveys of rail lines that are open or in need of immediate repair, and by-ting movements effected as rapidly as possible, based upon the market open port and the needs from supply officers. Rail [illegible] Italian [illegible]

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[illegible] Army Units, or Allied Army Units, including the Deputy Assistant Director of Labor, Civil Labor Offices.

b) Publish General Order No. 28--Labor Relations--together with pertinent rules and regulations. A list of rules and regulations covering General Order No. 28 has been prepared for circulation.

c) Establish current Armed Forces rates for civil employees of the Allied Forces, as promulgated by AFHQ.

d) Publish all appropriate wage increase orders.

(i) Public wages (state and para-statal employees) are to be governed by current wage increase orders.

(ii) Private industrial wages are to be governed by collective contract or by any current wage increase order agreed upon with the Italian Government.

TRANSPORTATION

25. Railways.

a) Three AC officers are to be assigned to the regions of Piemonte, Liguria, and Lombardia. One group will be delegated to supervise the Italian State Railway Divisions of Milano, Genova, and Torino, together with the Private Railway Department. Until the situation is thoroughly clarified, the group will work, as a team, under the command of the railway officer stationed at Milan. It is contemplated that initial duties will be concerned primarily with inventories of stocks, surveys of rail tracks that are open or in need of immediate repair, and the movements effected as rapidly as possible, based upon the nearest open port and the demands from supply officers. Rail officers may have to reorganize the whole Italian Railway Division and bring engineers, etc., from the South to operate it.

b) It is expected that railroad movements will be interrupted for a considerable period following German withdrawal from Northwest Italy. Demolitions are expected to be exceedingly heavy and the number of railway breaks will at least be doubled, compared to the present situation as reported by Intelligence.

c) Although fewer lines exist from West coast or so in the Bologna direction, there are only two railway routes directly from Southern Italy to the Northwest corner; via Genova by the coastal route, and across from the Eastern seaboard via Bologna. On both of these lines, one track has been wrecked by the Germans and the other track is likely to be seriously damaged, if not removed. For this reason, it is impossible to say where the railheads will be. It is even

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probable that the railway cannot be used at all for a considerable period. AF has no personnel for undertaking railway repairs or reconstruction. In this regard, it will be necessary to rely entirely--at least in the initial stages--upon the Military Railway Services.

24. Ports.

It is contemplated that the only port which could be used will be Genova. The operation of the port by AF will depend upon the extent to which use and control may be relinquished by the military and in any case, it is possible that a search may be required to clear the port of Genova after the German withdrawal. It is probable that La Spezia will not be capable of utilization, as it is adapted for use as a naval base.

25. Road Transport.

Requisition was submitted to AFHQ 14 Nov. '44 for 2,505 trucks (2½ ton and ½ ton) for use this winter to carry food and supplies from Livorno into Northwest Italy. If the area is not liberated until spring, the number of trucks required will be increased to 3,785. A complete justification with all available statistics and estimates was presented in the requisition. With regard to Northwest Italy, the following are the quantities of food imports per month, broken down by provinces:

Piemonte	10,265.2 tons
Liguria	6,307.8 "
Lombardia	19,673.4 "
Northwest Total	36,246.4 tons

26. Civilian Road Transport.

All Regional Commissioners and Regional Transport Officers have been furnished with a directive, showing how to organize civilian road transport in any town. This transport is organized under the ENAC plan, which has been thoroughly explained to Regional Transport Officers. The Pale Nazionale Autotrasporti di Guerra is a part of the Ministry of Communications and organizes on a national basis the civilian road transport and agencies established by the AC/AMG. It is the estimated that 1200 civilian trucks will be necessary to carry food and supplies within the liberated Northwest in addition to the vehicles above mentioned as requisitioned. Regional Transport Officers have also been supplied with the locations of Fiat and Lancia Depots, works and agents, as well as inspectors in each province.

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PUBLIC WORKS AND UTILITIES

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Requisition was submitted to AFHQ 14 Nov. '44 for 2,636 trucks (2½ ton and 3 ton) for use this winter to carry food and supplies from Livorno into Northwest Italy. If the area is not liberated until spring, the number of trucks required will be increased to 3,785. A complete justification with all available statistics and estimates was presented in the requisition. With regard to Northwest Italy, the following are the quantities of food imports per month, broken down by destination:

Piedmont	10,265.2 tons
Liguria	5,907.8 "
Lombardia	19,073.4 "
Northwest Total	35,246.4 tons

25. Civilian Road Transport.

All Regional Commissioners and Regional Transport Officers have been furnished with a directive, covering how to organize civilian road transport in any zone. This transport is organized under the AMAG Plan, which has been thoroughly explained to Regional Transport Officers. The Ente Nazionale Autotrasporti di Cose is a part of the Ministry of Communications and organizes on a national basis the civilian road transport and agencies established by the AC/AMG. It is now estimated that 1200 civilian trucks will be necessary to carry food and supplies within the liberated Northwest in addition to the vehicles above mentioned as requisitioned. Regional Transport Officers have also been supplied with the locations of Fiat and Lancia Depots, works and agents, as well as inspectors in each province.

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PUBLIC WORKS AND UTILITIES

27. Teams of specialists, engineering officers, have been assigned to work in the Northwest area when it is liberated. These men are qualified to handle operations dealing with waterworks, damaged highways and bridges, public utilities and electrical generation and distribution. These officers are at present in close contact with Engineering Units of the 5th and 8th Armies and are thus aware of conditions and problems confronting them. They know, for example, which bridges have been blown up, how many temporary bridges the Army has built, how long these temporary bridges will last and whether cement can be obtained from the Army to rebuild them.

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28. In the absence of definite and accurate information concerning the extent of war damage and spoliation which will exist when the AC Regional Offices are set up, no specific service planning is practicable. The general order of priority is: (a) waterworks, (b) sewerage, (c) light and power, (d) communications. However, conditions may be such as to require an entirely different order of priority. Repair of a particular bridge, for example, may be crucial in making possible the movement of food from forward warehouses.

29. The officers' procedure is to work with and parallel to the Italian Government Agencies and specialists which will be appointed. They will acquire exact information as to the state of damage, spoliation, and priority of work to be done. A composite requisition is made up, including plans and justifications for materials and equipment for each plant or unit in a group which it is proposed to repair or rehabilitate.

30. In the case of public power plants, a construction program for several months ahead may be planned as soon as conditions are known. Such a program can then be used as a basis for bidding for local resources and imported supplies.

31. The Public Works and Utilities Sub-Commission has obtained small quantities of mobile power equipment to put into and when the Area moves on with its portable equipment. (Plans are now in effect for use of the 25,000 KW power ship, which is being sent from the U.S. Preliminary arrangements call for its use in Livorno, in which case it might serve none of the areas under consideration.)

FINANCE

32. Hundreds of special instructions, forms, etc., have been prepared by the Finance Sub-Commission for the guidance of finance officers in every phase of finance work. A general description of their responsibilities is given in the following paragraph.

33. As in other areas, Finance Officers, operating under procedures and policies laid down by the Finance Sub-Commission, Headquarters AC, will be responsible for the following:

a) Supplying AM lire currency to the Allied Armed Forces, to AMG for its own expenditures, and, if necessary, to the Banca d'Italia to cover Government expenditures.

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possible the movement of food from forward warehouses.

29. The officers' procedure is to work with and parallel to the Italian Government Agencies and specialists which will be appointed. They will acquire exact information as to the state of damage, spoliation, and priority of work to be done. A composite requisition is made up, including plans and justifications for materials and equipment for each plant or unit in a group which it is proposed to repair or rehabilitate.

30. In the case of public power plants, a construction program for several months ahead may be planned as soon as conditions are known. Such a program can then be used as a basis for studying the local resources and imported supplies.

31. The Public Works and Utilities Sub-Commission has obtained small quantities of mobile power equipment to put into use when the Army moves on with its portable equipment. (Plans are now in hand for use of the 25,000 KW power ship which is being sent from the U.S. Preliminary arrangements call for its use in Livorno, in which case it might serve some of the area under consideration.)

FINANCE

32. Hundreds of special instructions, forms, etc., have been prepared by the Finance Sub-Commission for the guidance of Finance officers in every phase of finance work. A general description of their responsibilities is given in the following paragraph.

33. As in other areas, Finance Officers, operating under procedures and policies laid down by the Finance Sub-Commission, Headquarters AC, will be responsible for the following:

a) Supplying AM lire currency to the Allied Armed Forces, to AMG for its own expenditures, and, if necessary, to the Banca d'Italia to cover Government expenditures.

b) Accounting for imported civilian supplies.

c) Reconstruction and supervision of the Italian revenue system.

d) Supervision of State, provincial, and communal expenditures. As long as territory is under military government, public moneys cannot be spent without prior approval of budgets by the appropriate Finance Officer.

e) The operations of banks, stock exchanges, and post office financial services, including determination of when such institutions will be allowed to resume functioning, and to what extent.

f) The blocking of enemy and foreign assets.

g) The operations of social and commercial insurance companies.

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(1)

LIST OF CONTROLLED AND RESTRICTED MATERIALS

A. - METALLIC CONTROLLED BY MTB(1)B.

(1) Materials under control of Munitions Materials Committee, MTB(1)B.

I. Metals - Ferrous.

1. Cable & Wire.
2. Machine & Tool steel.
3. Structural Steel, sectional thickness exceeding 6".
4. Foundry Pig.

II. Metals - Non Ferrous.

5. Brass, semi-fabricated.
6. Copper, semi-fabricated and scrap.
7. Cupro-nickel.
8. Lead and alloys thereof.
9. Nickel.
10. Solder.
11. Tin.
12. White metal for bearings.

III. Timber.

13. Standing timber in and adjacent areas reserved for British and American services in Calabria.
14. Plywood.

IV. Other Building Materials.

15. Paint.
16. Pigments for paint.
17. Turpentine.
18. Linseed & Linseed Oil.

V. Electrical Materials.

19. Accumulators & Batteries.
20. Copper and Aluminium conductors.
21. Electric Mains Cables.
22. Electric Light fittings.
23. Motors.
24. Portable generators.
25. Switch gear.

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II. Metals and Alloys.

5. Brass, unfabricated.
6. Copper, unfabricated and scrap.
7. Cupreous.
8. Lead in all forms.
9. Nickel.
10. Solder.
11. Tin.
12. White metal for bearings.

III. Timber.

13. Standing timber in the areas reserved for British and American services in Canada.
14. Plywood.

IV. Other Building Materials.

15. Paint.
16. Pigments for paint.
17. Varnish.
18. Linseed & Linseed Oil.

V. Electrical Materials.

19. Accumulators & Batteries.
20. Copper and Al. and substitutes.
21. Electric light bulbs.
22. Electric Lighting Fixtures.
23. Motors.
24. Metal [illegible].
25. Safety [illegible].
26. [illegible].
27. Welding rods.
28. Air [illegible] Cables.

VI. Industrial Items & Supplies.

29. Gas [illegible] and containers.
30. Asbestos.
31. Carbide Soda.
32. Calcium Carbide.
32a. Soda Ash.

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Subject to changes from time to time
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(2) Materials under control of Mines (under Purchase Committee, APQ(T)).

33. Hemp, jute, sisal and manila (excluding binder twine & jute, 4th and 5th quality rope).
34. Leather and all leather articles.

B. - RESTRICTED MATERIALS, i.e. MATERIALS PRODUCED WHOLLY FOR CIVILIAN USES.-

1. Matches.
2. Phosphate Rock.
3. Tanning Materials.
4. Cellulose for Processing.
5. Carbon disulphide.

C. - MATERIALS CONTROLLED BY THE MINISTRY OF INDUSTRY, COMMERCE & LABOR.

1. Greases for industrial purposes, excluding petroleum greases.
2. Solvents, excluding petroleum solvents.
3. Soap.
4. Scrap metal, except those non ferrous metals mentioned in para 4 sub-para (2).
5. Glass (sheet)
6. Artificial textile fibres.
7. Yarn, cloth and other textile products.

Para C may be added to, from time to time, by the Ministry of Industry, Commerce and Labor in Agreement with Commerce Stabilization MG. AC.

D. - COAL: Subject to control by APHQ.

E. - Oil (Crude, Oil and Lubricants) - Subject to control by APHQ.

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